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BREWIN DOLPHIN

Brewin Dolphin Holdings PLC

Annual Report and Accounts 2015

Contents

Brewin Dolphin provides a range of investment management and financial advice services in the United Kingdom, Channel Islands and the Republic of Ireland.

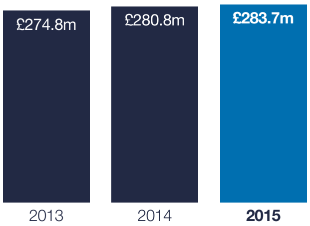
Our vision is to become the UK's leading provider of personalised wealth and investment management services, delivering rewarding careers and sustainable shareholder returns.

For more information visit our website:

www.brewin.co.uk

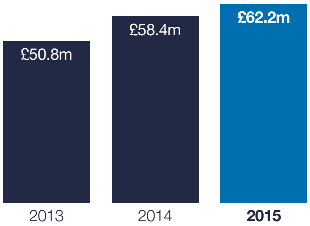
HIGHLIGHTS[1]

Total income



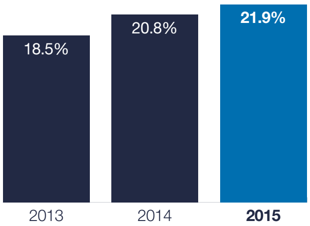
£283.7m

Adjusted[2] profit before tax (PBT)



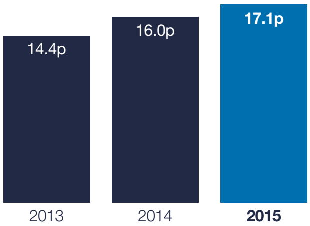
£62.2m

Adjusted[2] PBT margin



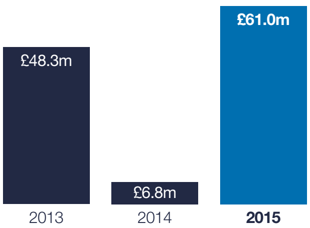
21.9%

Adjusted[2] earnings per share – diluted[3,4]



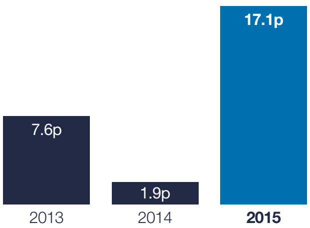
17.1p

Statutory profit before tax[3]



£61.0m

Earnings per share – diluted[3,4]



17.1p

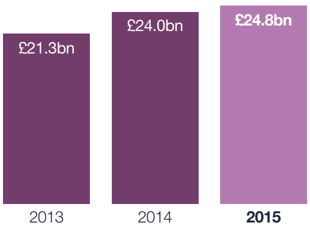
[1] Continuing operations.

[2] These figures have been adjusted to exclude redundancy costs, additional FSCS levy, onerous contracts provision, amortisation of client relationships, impairment of intangible assets – software, licence provision and disposal of available-for-sale investment.

[3] Restated see notes 2 and 37.

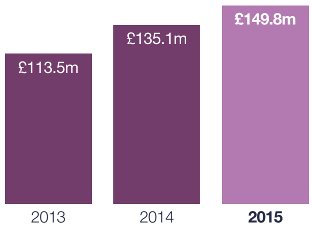
[4] See note 15.

Discretionary FUM



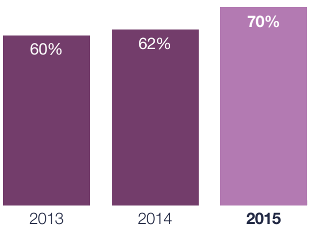
£24.8bn

Cash



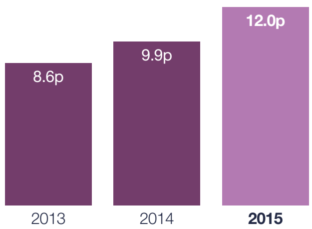
£149.8m

Dividend payout ratio



70%

Full year dividend



12.0p

Progress on growth strategy:

- Strong growth in discretionary FUM led by continued success of intermediaries business
- Benefits of integrated advice demonstrated by 21% growth in financial planning income
- Announced a clear strategy to deliver continued growth in direct private client business based on detailed market segmentation analysis
- Implemented enhanced client advice process
- Office consolidation completed – larger teams, more efficient portfolio management
- Launched lower cost investment solutions
- Sale of Stocktrade – business focused on core wealth and investment management

CHAIRMAN'S STATEMENT

Dear Shareholder,
This has been another year of solid achievement, once again demonstrating the strength of the business. We continually strive to be a more efficient client focused business that is responsive to a changing market and client needs.

Biographies of each Director are shown on pages 46 and 47

Overview

Over the past two and a half years, management have successfully taken steps to strengthen and enable the Group to drive sustainable growth and to focus on creating value for shareholders.

The Board views wealth management as an attractive part of the financial services sector. The sector continues to change in response to a variety of pressures, including consumer preferences, regulation, pricing and technology and it is therefore important that the business is capable of adapting to changing circumstances. The Board believes that, with a network of expert Investment Managers and Financial Planners, the Group is well positioned to prosper in the current emerging environment.

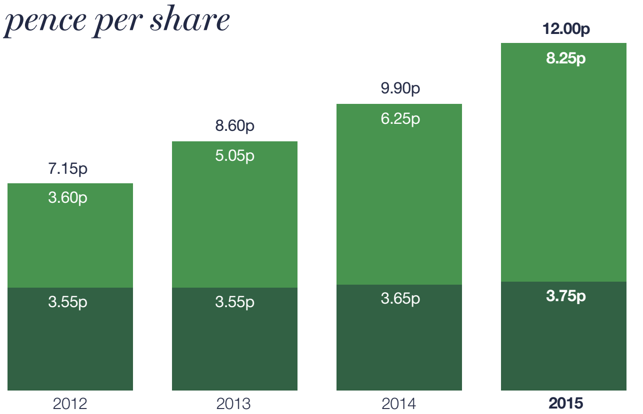
Progress

The Group has had a good year. Its performance and its resilience mean that it is well equipped to operate in the dynamic regulatory and competitive environment. Against a backdrop of market volatility and industry change, I believe that David Nicol and his team have made good progress in equipping the business for future growth.

This work is now substantially complete and the growth of the business is an important objective for the current year. Brewin Dolphin has many talented people working within the organisation and ensuring that we have the right skills and talent will be a critical part of this process.

Our strategy is to focus on the core business of discretionary wealth management. To this end the Group's stake in Euroclear plc, the largest settlement system for securities transactions, was sold for £10.2 million during the year, and the sale of Stocktrade, the Group's Execution Only division, to Alliance Trust Savings Limited for £14.0 million, has been announced. It is expected that the sale of Stocktrade will complete in 2016.

Dividend history: pence per share



Governance

The Board has the right balance of skills and experience to set the tone of the business and to challenge and support the Executive management team.

Kath Cates joined the Board in December 2014. She has brought with her a wealth of experience in risk and operational matters and has recently become the Chairman of the Board Risk Committee replacing Angela Knight, who has performed the task with dedication and skill in the past three years.

In addition to their principal role as an independent Director, each Non-Executive Director has a specific role within the Group. Angela Knight is the Senior Independent Director, Ian Dewar is Chairman of the Audit Committee, Paul Wilson is Chairman of the Remuneration Committee, and Kath Cates is Chairman of the Board Risk Committee. Caroline Taylor is the Chairman of the new Corporate Responsibility Committee, which although not a committee of the Board, is of increasing importance. Their respective roles provide them and the Board with added insight into the workings of the business. The Committees they serve on undertake considerable work and are integral to the smooth running of the business.

Our people

Our success lies in the hands of around 1,900 individuals who work at Brewin Dolphin. On behalf of the Board I would like to thank them all for their hard work and commitment over the course of what has been a demanding year. The Board is conscious that these people are the Group's greatest asset and it must ensure that it focuses on retaining and developing a deep pool of diversified talent.

Our employees and our offices have long had a commitment to charitable activities. Being responsible and doing the right thing is an integral part of the Brewin Dolphin culture. In this context, during the course of the last 12 months, we have relaunched our corporate responsibility programme with the objective of building on the existing practices and further embedding them across the Group.

Shareholders

We aim to maintain an effective and regular dialogue with our shareholders. The views of our shareholders are welcome and help shape our decision making.

The Board is proposing a final dividend of 8.25p per share, to be paid on 11 March 2016 to shareholders on the register on 19 February 2016. As a Board we aim to pay out between 60% and 80% of earnings and this year the figure amounts to 70%, an increase on the 62% we paid last year. This will bring the total dividend for the period to 12.0p per share (2014: 9.9p), demonstrating confidence in the Group's growth prospects and outlook.

This year's AGM will be held at 11.30am on 5 February 2016 at the Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED. If you are unable to attend and wish to raise an issue, please do write to me and I will ensure you receive a timely answer.

Simon Miller
Chairman

1 December 2015

STRATEGIC REPORT

In this section

BUSINESS OVERVIEW

Brewin Dolphin is a leading provider of wealth management in the United Kingdom, Channel Islands and the Republic of Ireland.

Who we are

Brewin Dolphin Holdings PLC is listed on the London Stock Exchange and is a member of the FTSE 250 index.

We take an integrated advice-led approach to protecting and growing clients' wealth combining our skills and experience in investment management and financial planning.

Our Financial Planners help clients to develop a sound strategy for managing their financial affairs and safeguarding their long-term wealth. Our Investment Managers create portfolios tailored to a client's needs, based on what the client wants to achieve with their investments and the risk they are comfortable taking.

Total Funds are £32.0 billion, of which £24.8 billion is in our Discretionary Wealth service.

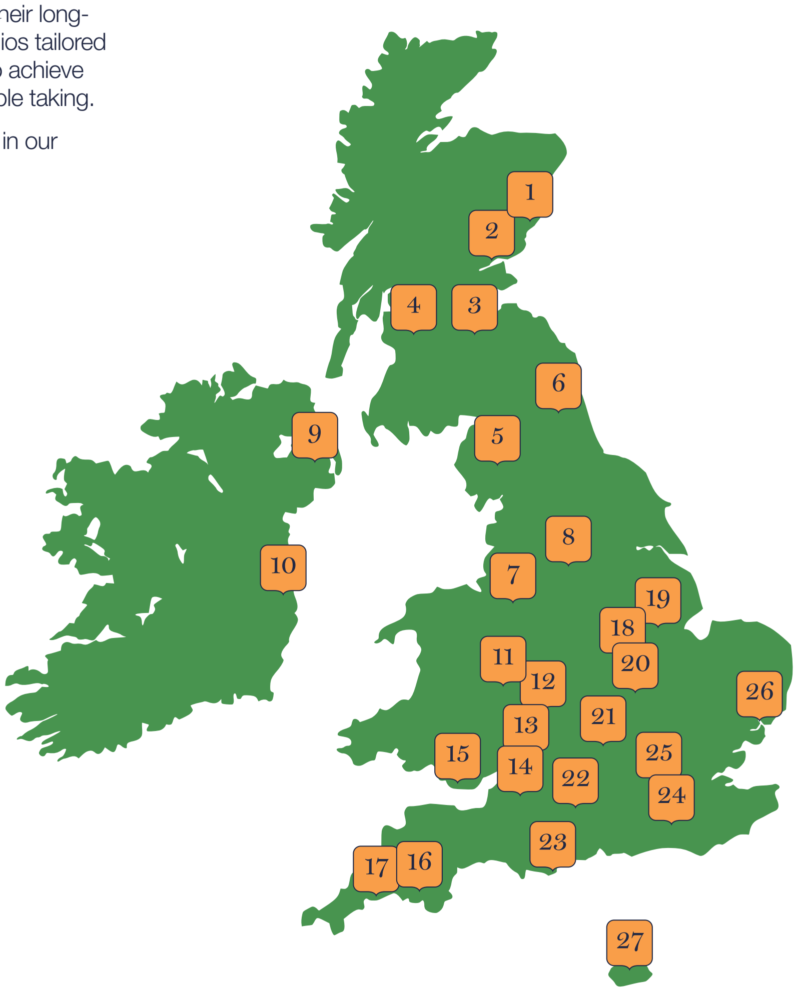
The Group employs around 1,900 people.

1. Aberdeen
2. Dundee
3. Edinburgh
4. Glasgow
5. Penrith
6. Newcastle
7. Manchester
8. Leeds
9. Belfast
10. Dublin
11. Shrewsbury
12. Birmingham
13. Cheltenham
14. Bristol
15. Cardiff
16. Exeter
17. Plymouth
18. Nottingham
19. Lincoln
20. Leicester
21. Oxford
22. Marlborough
23. Bournemouth
24. Reigate
25. London
26. East Anglia
27. Jersey

Where we are

Local presence and proximity to our clients are key to our business and help us to maintain a high level of personalised service, which we provide via 27 offices.

Office locations



Who our clients are

We have two distinct categories of clients; those who have a direct relationship with the Group, and those who are introduced to us via financial intermediaries:

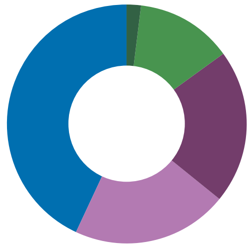
- Direct clients include private clients, charities and corporates, including their pension funds.
- Third party financial advisers, and other intermediaries, are also clients of the Group. The Group provides investment management services for the clients of the financial advisers; the underlying clients are typically private clients.

Private clients (whether direct or via intermediaries) account for £20.8 billion of discretionary funds under management, with their investment portfolios including Individual Savings Accounts, Self-Invested Personal Pensions and offshore bonds.

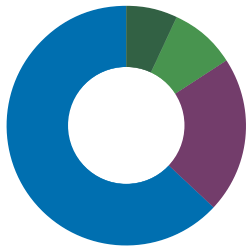
The average managed portfolio size is £498,000 (2014: £478,000).

We manage £4.6 billion in pension related assets for individuals and corporates.

Discretionary FUM by portfolio size



Discretionary FUM by client type



Investment rationale for shareholders

Respected business providing investment expertise and trusted advice

The Group has a long tradition as a respected retail financial services provider to private clients. Over time the Group has established a reputation for trust, integrity and client service.

For more information on how we do business, see our Business Model on page 10.

Trends for our markets are positive

Investment management and financial advisory services are growth markets with good long-term prospects. In particular, there is increasing demand as society becomes more self-reliant in specific areas such as retirement provision and long-term care as well as savings in general.

For more information, see Market Environment on page 12.

Opportunity to capitalise on our brand and scale

As one of the largest providers of wealth management services in a fragmented sector, the Group is in a strong position to build on its brand and scale to grow the business, cementing its relationships with existing clients and winning new ones.

Chief Executive, David Nicol, discusses this further in his report on page 16.

Group positioned for even stronger growth

The Group is well positioned for further growth as we have strengthened our operations, putting us in a strong position to see further growth and increase our market share.

Chief Executive, David Nicol, discusses this further in his report on page 16.

BUSINESS MODEL

We provide a unique wealth management service, where our experienced professional advisers take time to understand a client's individual circumstances, attitude to risk and investment objectives, to build a tailored financial solution.

Our services

The table below outlines the services currently provided by the Group, and indicates those that are a strategic focus.

Service	Available to	Strategic focus
Wealth Management Integrated approach to protecting and growing wealth that combines both Financial Planning and Investment Management.	Private Clients	✓
Investment Management Designed for clients who want to benefit from a personal focus on their investment portfolio but do not require financial advice. This service is provided to both direct clients and via intermediaries.	Private Clients Private Clients via Financial Intermediaries Charities Corporates	✓
Financial Planning This service helps address our clients' wider financial planning needs including advice on investment, protection or retirement requirements.	Private Clients	✓
Managed Portfolio Service ('MPS') This service is provided for financial advisers who offer a suite of risk graded model portfolios designed for their clients who do not require, or for whom it is not cost effective, to have a bespoke solution.	Private Clients via Financial Intermediaries	✓
Brewin Portfolio Service ('BPS') A low-cost service of professionally designed portfolios for people with smaller sums (£10,000 to £200,000) to invest who do not need advice. It combines the investment expertise of Brewin Dolphin with the freedom for individuals who are happy making their own risk decisions and investment choices. It gives access to six risk-rated portfolios.	Private Clients	✓
Advisory The service provided is either 'Advisory Managed', where we provide advice on both the structure and individual investments within the portfolio, or 'Dealing with Advice' where advice is provided on a transactional basis only.	Private Clients Charities Corporates	
Execution Only We provide custody, trade execution and settlement services to those clients who have no need for advice and prefer to make their own investment decisions. This service is limited and we no longer provide it on a standalone basis.	Private Clients Charities Corporates	

Access to our services

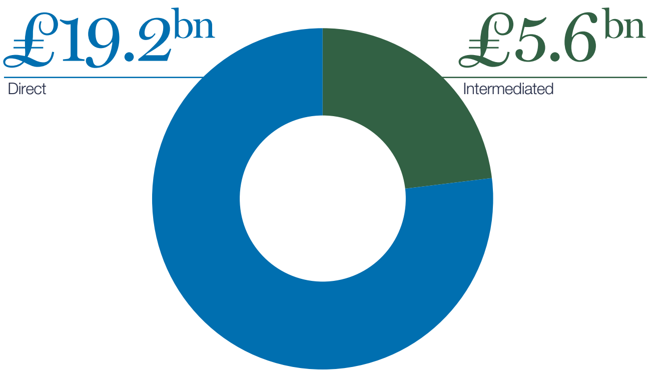
Our services can be accessed by clients either directly or via financial intermediaries.

For more information, see who our clients are in the Business Overview on page 9.

The graph below shows the split of discretionary FUM at 30 September 2015, between direct and intermediated clients.

Discretionary FUM

£24.8bn



How our business generates value

Value for Brewin Dolphin:

We earn income for services based on the amount of funds we manage or the investment business we transact on clients' behalf.

We provide a personalised approach to client service, combined with the expertise of our professionally qualified staff to demonstrate the value of our services. By doing that well, we earn the trust of clients and create loyal, often long-term client relationships, giving us a competitive advantage and adding value to the business through generation of new leads via referrals and brand enhancement.

Value for our clients:

We help clients to manage their money and to plan their finances to achieve their long-term goals. Each client is different and our approach is to assess their individual needs and develop a plan tailored to deliver their particular goals. Increasingly, clients want to talk to us about financial planning for key stages in their lives, such as saving for a pension or preparing for retirement, rather than simply investment performance.

We guide them through what is an ever more complex financial services system, helping them nurture their savings in a tax-efficient manner. In our industry, we have led the way when it comes to transparent charging and we will continue to look at ways in which we can make our charges simple and transparent. Increasingly, we will use our scale to achieve lower charges for our clients.

Delivering our services

Our business model is based on providing a personal wealth management service delivered through our professional advisers (Investment Managers and Financial Planners).

Our Investment Managers are responsible for both the investment decisions taken on behalf of clients and for managing the relationship with their clients. Our Financial Planners help clients address their wider needs including advice on investment, protection or retirement requirements.

Our service to direct clients is built around the following key elements:

- A comprehensive assessment of the client's financial needs.
- Understanding the client's financial circumstances and objectives including: what does the client want to achieve with their investments, are they prepared for retirement, and are their family provided for in the event of death.
- Reviewing the client's investment risk profile – establishing how the client feels about investment risk, their willingness to accept it, and the financial capacity to withstand it.
- Providing a written client investment proposal – a proposed financial plan.

We then combine the output from the above assessment and advice process to create and manage for the client an investment portfolio and broader financial plan.

The management of the client's investment portfolio is of paramount importance. As an independently owned business without in-house products we can look across a wide range of financial products. Our personal service is underpinned by both our award winning in-house research and a firm-wide asset allocation framework within which our Investment Managers have the flexibility to tailor portfolios to each client's individual needs, taking into account their risk profile and goals.

We offer a comprehensive service for private clients, including Self-Invested Personal Pensions, Individual Savings Accounts and Estate Planning, in addition to specialised investment services for Charities, Corporates and Pension Funds.

When clients come to us through a third party intermediary, the intermediary is responsible for providing the financial planning related advice, and our Investment Manager is responsible for managing the client's investments.

In addition to the tailored service described above, we have also established two model portfolio offerings: MPS and BPS – see the table opposite.

- MPS is provided via the IFA market and is designed to provide fund management to clients for whom a bespoke service may not be necessary or cost-effective.
- BPS is a non-advised product, available directly, made up of professionally designed portfolios for those with £10,000 to £200,000 to invest. An individual selects the required portfolio based on their preference and long-term goals. The appropriate portfolio is made up of several funds without the need for financial advice.

MARKET ENVIRONMENT

Investment management and financial advisory services remain growth markets with good long-term prospects. In particular, there is increasing demand as society becomes more self-reliant in specific areas such as retirement provision and long-term care as well as savings in general.

UK Private Banks and Wealth Managers

£732bn

Assets under management or administration

Source: WMA Industry Statistics Quarter 2 2015.

There has been a steady shift towards private provision for pension and care costs, supplemented by savings and investment as society becomes more self-reliant.

The UK private bank and wealth management industry manages assets of £732 billion. The table opposite shows the FUM of Brewin Dolphin and its closest peers.

Wealth management as an industry remains highly fragmented and we are one of the few companies with significant scale.

Opportunities for our sector

There are both opportunities and challenges in our industry, driven by the following trends:

- Society is becoming more self-reliant in specific areas such as retirement provision, including the replacement of defined benefit or final salary pensions by defined contribution schemes, the need to plan for long-term care, as well as savings in general.
- The UK has an ageing population, including many who have enjoyed relatively generous employer pension contributions and rising house prices, and are approaching retirement with higher life expectancy than previous generations. There is substantial personal wealth within this group from which a large number of our current and potential clients are drawn.
- Legislation is accelerating a general shift towards self-reliance. For instance, the new pension freedom rules that came into effect early this year allow individuals to leave their fund invested beyond retirement, with greater flexibility on withdrawing a lump sum and drawing down income.
- In a low interest rate environment, individuals require additional guidance in generating an adequate return on their savings.
- How the industry addresses the specific needs of clients in an environment of increasing longevity is evolving.

These trends reinforce the need for advice, one of our strengths, in order to help clients achieve their goals in a more challenging and complicated environment.

We have identified a number of additional market trends that are important to the long-term outlook of our industry:

Increased regulatory change

Over the last few years, there has been significant change in the UK regulatory landscape, resulting in increased supervision in the sector. The regulatory environment has resulted in additional compliance costs throughout the industry, but we benefit from having sufficient scale to absorb these costs.

The broader financial services industry has been impacted by the Retail Distribution Review ('RDR'), which changed the way intermediaries are compensated and has increased the regulatory costs of advice provision.

Competitive environment

Our industry is fragmented, serviced by a wide range of suppliers, from small firms to subsidiaries of international companies, offering diverse services to individual and institutional clients. We anticipate that the sector could see further consolidation. Although banks have to some extent withdrawn, recent acquisition appetite has come from life insurers and private equity firms making a concerted effort to enter the market.

As a result, many Independent Financial Advisers (IFAs) have left the market and the resulting decline in provision of advice, despite growing demand, provides an opportunity for Wealth Managers to build relationships with individuals who no longer have a financial adviser. Furthermore, many IFAs are seeking the services of discretionary investment management so they can focus on advice for their client relationships. We expect this trend for IFAs to outsource investment management to provide a continuing source of discretionary assets to the industry and indeed, this has been an increasingly important source of new client funds. For more information please see the Results section on page 23.

Competition is faced from new services, such as consumer platforms that offer light touch guidance or self-directed solutions, rather than discretionary wealth management and financial planning.

Advice gap

One of the results of the RDR is that it has created an 'advice gap' for customers who are seeking to make investments but do not have access to advice for a variety of reasons such as cost, trust and knowledge. This issue has become so widely reported that the Government has announced the Financial Advice Market Review which will examine how financial advice, considered in its broadest sense, could work better for consumers.

The FCA is encouraging innovation to fill the advice gap and the resulting solutions will bring additional competition to the marketplace. For instance, new technology-driven services, such as 'robo advice', are being created. We have launched a direct to customer service, Brewin Portfolio Service, that specifically caters for clients who fall into the advice gap, offering them risk-rated portfolios, but without a full discretionary service.

We welcome the Financial Advice Market Review and look forward to making a contribution to help shape the Industry.

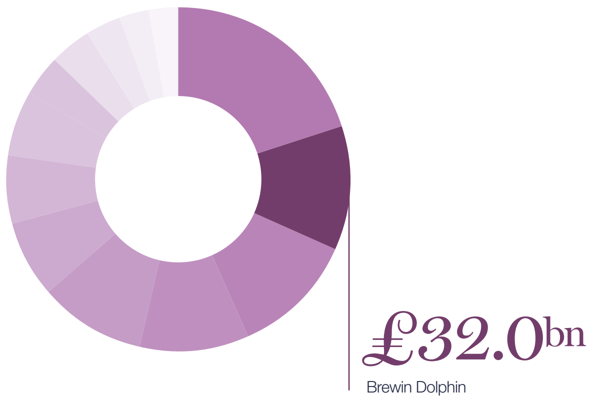
Outlook

A combination of a changing marketplace, consumer trends, and shifting competitive environment creates opportunities for us to use our scale and reputation to grow our business and increase our market share.

Brand and scale have become more important as clients require reassurance on the security of their assets as well as comfort on the strength and stability of the organisation dealing with their money. As one of the market leaders with large scale and a strong financial position, we are well positioned to benefit from this trend.

Peer group funds under management

£276.9bn



	FUM (£bn) FY15[1]
St James's Place	55.5
Brewin Dolphin	32.0
Schroders	32.0
Rathbones	28.3
Investec Wealth & Investment	27.8
Charles Stanley	21.3
Quilter Cheviot	17.9
Smith and Williamson	16.3
Towry	11.0
Close Brothers AM	10.8
Tilney Bestinvest	9.0
JM Finn	7.6
Brooks MacDonald	7.4
	276.9

[1] Per Annual or Interim Report and Accounts with the exception of Quilter Cheviot, Towry and JM Finn which is based on other publicly available information.

OUR STRATEGY

Our vision is to become the UK's leading provider of personalised wealth and investment management services, delivering rewarding careers and sustainable shareholder returns.

Strategic objectives

1. Growing our revenue – grow the business in both absolute and market share terms, by increasing the number of clients and the proportion of their wealth that we manage

2. Maintaining an efficient operating model – enabling investment, developing productivity and sustaining competitive pricing

Financial objectives

3. Maintaining sufficient capital – maximise opportunities and cover risks

4. Growing our dividend – in line with earnings

Progress in 2015 (See the Chief Executive's Statement on pages 16 to 19 and the Results Section on page 25 for more information).	*Actions for 2016*
• Achieved 5% net inflows in discretionary service • Completed detailed research to segment private clients and identify target clients • Continued to achieve strong inflows from intermediaries (£1.1 billion gross inflows) • Achieved £0.7 billion of FUM in modelled portfolios (MPS & BPS) • Embedded the enhanced Client Service Review process • Development of Professional Services proposition	• Multiple new initiatives to achieve or exceed 5% annual net inflows target • New marketing and promotional ideas to attract new clients • Develop strategic national relationships with selected intermediaries • Work on understanding the views of clients • Launch Professional Services proposition – to support direct private client growth
• Continued focus on core discretionary service • Disposed of Stocktrade, a non-core service • Ongoing cost discipline • Team restructuring • Client advice process	• Implement enhanced portfolio management systems
• Capital adequacy ratio of 248%, compared to 241% in 2014, balancing profit retention and distribution	• Evaluate opportunities for further investment in the business
• Full year dividend of 12.0p, an increase of 21% from 2014, representing a 70% pay out ratio	• Maintain the current dividend policy with a target pay out ratio of 60% to 80% of adjusted diluted EPS

CHIEF EXECUTIVE'S STATEMENT

"The business is in great shape, with the foundations and resources to pursue our growth ambitions. Our belief in the long-term growth prospects for the industry is stronger than ever."

Biographies of each Director are shown on pages 46 and 47

Key to strategic and financial objectives

1 *Revenue Growth*
2 *Improved Efficiency*
3 *Capital Sufficiency*
4 *Dividend Growth*

Progress and opportunity

The Group has a number of core strengths which, collectively, provide a sound foundation for future growth. Our success lies in the quality of the advice we provide and the strength of our client relationships, which are mutually reinforcing. Both of these things are rooted in the skills and culture of our people, and as such are difficult to replicate. We benefit from our scale, and being a large business in a substantial but fragmented sector. This scale gives us the foundations and resources to pursue both our growth ambitions and absorb the impact of regulatory changes. The Group has great potential and is well placed to take advantage of available opportunities and create further value.

In September 2015, we hosted our first capital markets briefing at which we discussed in detail our plans to continue to grow the firm into the UK's leading discretionary wealth manager. I was delighted to welcome so many to the event, to share our vision and ambition about the future as well as introducing some members of our wider management team.

We operate in a dynamic market that presents both opportunities and challenges. We have traditionally served older, wealthier client groups, and there are opportunities to gain more of existing clients' funds and to secure further clients in this group. We are seeing the market evolve as more people seek more advice to better understand the options available to them. These individuals, often younger, are saving and acquiring wealth, and need new approaches and ways of engaging. A constant, however, is the need for personally delivered advice, which has always been at the core of our approach. We also recognise that future clients currently have fewer assets today than a traditional wealth manager might usually address. We are developing different products to attract such high potential clients at an earlier stage in their lives, thereby seeding tomorrow's business and assets. Undoubtedly, the relationship will be supported by technology.

Wealth in the UK continues to grow in tandem with the economic recovery, and we are competing for a greater share of a growing market. Both regulatory and fiscal reforms are driving changes in behaviour, and the UK savings and pensions market is evolving rapidly. The changes under Pensions Freedoms; reduced Lifetime Allowances, and increased ISA allowances, have made the need for advice and guidance all the more pertinent and there is a growing number of people who are seeking wealth management services for the first time. Client behaviour is also changing; clients are more focused on finding solutions to achieve their goals, rather than focusing solely on investment performance. Our highly personalised approach to wealth and investment management is, we believe, well placed to meet these needs. We also recognise the 'advice gap' and are developing alternative delivery mechanisms to allow us to assist those with smaller portfolios.

Financial performance

Underlying financial performance continues to improve with adjusted profit before tax ('PBT') increasing by 7% to £62.2 million (2014: £58.4 million), reflecting both the growth in discretionary FUM, leading to revenue growth despite weak investment market conditions and the benefits of a more efficient business reflected in flat operating costs. The efficiency of the business continues to improve as we invest in our internal processes and systems, and the increased adjusted profit margin to 21.9% from 20.8% in the previous year, illustrates this.

We also continue to meet our financial objectives for maintaining sufficient capital, with regulatory capital resources increasing by £4.2 million to £145.3 million, and growing our dividend, by 21% to 12.0p per share.

Progress against strategic objectives

Over the course of the year, the business has performed well and made good progress against the strategic objectives.

1 *Growing our revenue*

We are making good progress through our focus on generating improved and sustainable organic growth. We understand our current and target clients and their needs, and are developing further services to meet those needs. This involves improving the awareness of our brand with specific target groups, and evolving the services we offer. We have the people, national presence and operating model to deliver effectively. We are focused on distribution and taking advantage of our scale in delivery, increasing the ability of our advisers to spend more time on client facing activities.

Multiple initiatives are underway to attract new clients and to ensure that we can sustainably achieve the 5% discretionary net inflow target. These include a focus on sales and distribution further driving direct client organic growth, complementing the strong growth rates we are achieving in the intermediaries business. Other initiatives enable increased effort on sales; including a new redesigned sales training programme, the deployment of client relationship management tools, and adjustments to the compensation model to incentivise direct client growth.

We focus on providing the best outcome for our clients by understanding their needs. Increasingly, a client sees good performance as their ability to reach their goals and it is our role to help them reach those goals. This relies on delivering the required investment performance and effective financial planning.

We are researching the needs of private clients in greater depth, identifying target client segments where we are well positioned to win business. We have a strong presence in our traditional client base, although there remains room to grow, particularly as wealth passes from generation to generation. We are developing specific approaches for those who are accumulating wealth, through their salaried success or business ownership, and are enhancing our services so that we are well positioned to attract these types of clients.

We continue to enhance the services that we provide to clients. 2015 has seen the rollout and completion of an enhanced client advice process. This provides an impartial assessment of attitude to risk, and is needs, not investment, focused. This transparent process supports clients in trusting us on a broader range of issues. A survey conducted showed that clients responded positively to the process, with 85% of clients agreeing or strongly agreeing with the statement "the process of reassessing my financial goals was clearly explained and I understood the process".

> "I am amazed how accurately the client service review reflects my needs and attitude to risk. Very perceptive. It has helped me to consider my financial position with a better perspective."

Client feedback

CHIEF EXECUTIVE'S STATEMENT CONTINUED

High quality advice, provided by Financial Planners, is available in all our offices. They continue to work with a greater number of clients providing advice on investment protection and retirement requirements. This enables us to offer a full service to clients to ensure that they receive the right service for their needs, whether that is our full bespoke discretionary service or access to our model portfolios. Financial planning leads to the firm advising on a greater share of an individual's assets, accelerating the acquisition and retention of FUM.

We are investing in a solution to work with professional services firms as introducers. This segment is currently under-served by the wealth management industry and we aim to exploit this opportunity by strengthening links with lawyers and accountants, broadening the services we offer them. We already work with many law and accountancy firms, providing services to their clients, giving us a strong base from which to grow. Research suggests the market size in this area is considerable.

We have built a strong service for financial intermediaries, or agents, understanding the needs of these clients, and have achieved much success working with over 1,300 adviser firms. We have £5.6 billion of discretionary FUM sourced via intermediaries, and through a dedicated national sales force.

We are expanding our Managed Portfolio Service ('MPS') range and developing our technological capabilities for agents to make outsourcing more efficient. We are focused on increasing our market share of new business invested into model portfolios by advisers.

In April 2015, we launched Brewins Portfolio Service ('BPS') on the BrewinsDirect platform, which widens our offering by providing a non-advisory investment service for clients with smaller sums to invest. This service will evolve, as it grows, and it will help in our offer to attract tomorrow's core clients.

Our national office network is a source of strength allowing us to deliver a personalised service, and providing a local presence, which is key to attracting new business. This is supported by both local and national activities, including the sponsorship of the Chelsea Flower Show and the Goodwood Revival.

We led the way on transparency when the Retail Distribution Review ('RDR') was implemented and continue to do so by providing a clear explanation of fees. We believe that transparency is a clear point of differentiation and opportunity. In August 2015, The Sunday Times named the Group as one of only 11 of the top 100 financial advisers who publish their charges online. We will continue to lead on transparency for our clients.

In 2016, we will update our Client Portal and launch an App for tablets and smartphones, providing convenience and easier access for clients. We are planning to trial 'Skype for business' to provide advice at home for our clients.

2 *Maintaining an efficient operating model*

The 'measuring our performance' section of this report shows the five KPIs that are used to measure the progress being made to improve the efficiency of our operating model. I am pleased that all five of the measures are trending in the right direction.

The adjusted PBT margin brings together the other efficiency measures, and confirms the efficiency improvements in both our client facing teams and corporate functions. Further detail is provided in the Results section on page 21.

The increase in discretionary income per CF30, discretionary FUM per CF30 and average client portfolio size all demonstrate the improvement in productivity of our Investment Managers and Financial Planners.

Operating model

We continue to simplify and strengthen our operating model with a view to increasing efficiency and improving client service. An increased focus on primary services, harnessing technology to lower costs and ongoing cost discipline is also a key focus for us in increasing efficiency.

During the year the Brighton office was merged into our Reigate office, and the Norwich office was merged into Ipswich, creating an enlarged East Anglia office. In November 2015, we merged the Taunton office into the Exeter office. We have 27 offices; 25 in the United Kingdom, and offices in Jersey and Dublin. We have created a network from which we can provide larger teams of Investment Managers integrated with Financial Planners, enabling us to offer clients a broader range of services.

Focus on primary services

In May 2015, we agreed the sale of Stocktrade, our Execution Only division, to Alliance Trust Savings Limited for £14 million in cash, payable in full on completion. The sale, which is expected to complete in 2016, is aligned with our strategy of focusing on our core wealth management business.

Technology

The Group's approach to technology is to utilise recognised industry wide software on a modular basis with the appropriate functionality. We have adopted an incremental approach to our technology implementation strategy, seeking to avoid significant customisation, thereby reducing both risk and cost.

Ongoing developments to our technology and infrastructure are key drivers of planned further improvements in efficiency. A strong technology platform will provide benefits internally and externally, freeing up the time of our Investment Managers and Financial Planners, and ensuring that we have the ability to support clients and ensure they get the best possible service.

Progress against financial objectives

I am also pleased to report the following progress against our financial objectives.

3 *Maintaining sufficient capital*

The Group has a target capital adequacy ratio of a minimum of 150%. The Group met its financial objective of maintaining sufficient capital, with a year end ratio of 248%, compared to 241% the previous year. The stronger ratio arises from a £4.2 million increase in regulatory capital resources from £141.1 million to £145.3 million.

The Group continually assesses the appropriate amount of capital resources, to ensure that it is both well placed to take advantage of opportunities that present themselves, and has an adequate capital buffer against potential risks.

4 *Growing our dividend*

The Board is proposing a final dividend of 8.25p per share, bringing the total dividend for the year to 12.0p per share. The total dividend of 12.0p per share represents an increase of 21% on the prior year (2014: 9.9p per share). The payout ratio is 70% of adjusted diluted EPS, and is in line with the dividend policy announced two years ago; a target payout ratio of 60% to 80% of adjusted diluted EPS. The payout ratio of 70% (2014: 62%) is reflective of the Board's confidence in the Group's prospects for further sustainable growth in earnings and ensures that shareholders benefit accordingly from the growth in underlying earnings.

People

We continue to invest in the development of the Group's employees. We are developing a culture which is ambitious and focused on growth, achieved through collaboration between our Investment Managers, Financial Planners and the strengthened corporate functions. We have an active programme of learning and development to ensure our people are equipped with the appropriate skills.

Our approach to employee reward recognises their importance to the success of the business; ensuring alignment with our strategy, and the appropriate risk and behavioural accountability. The aim is to ensure participation in the value created by the business.

As part of the drive to engage with employees and understand their needs, and ultimately improve performance, this summer we conducted our first employee engagement survey, called 'Your Future, Your Say', covering a broad range of subjects. This is the beginning of what will be an ongoing project and engagement action plans are being put in place.

Looking ahead

We have achieved a great deal and I am confident that our progress to date in refining our strategy and business model will further help us deliver our long-term goals. We are now in a position to capitalise on these achievements and pursue our strategy for strong growth. We are investing in our organic growth strategy, and have plans in place that will enable us to deliver this growth. The Group has great potential, a genuine desire to help clients achieve their goals, extensive advisory and investment management skills, and, together with the advantages of our scale and financial strength, means we are well placed to take advantage of the opportunities to grow the business and create value for all of our stakeholders.

I would like to take this opportunity to thank all my colleagues across the Group for their positive approach and their extraordinary commitment to our clients, particularly during the many internal changes over the past three years. I am extremely grateful for their skill and dedication, and am confident that we are all relishing our further growth prospects.

David Nicol
Chief Executive

1 December 2015

MEASURING OUR PERFORMANCE

Key Performance Indicators[1] ('KPIs') are used to measure both the progress and success of our strategy implementation. The KPIs for each strategic and financial objective are set out below, with a measure of our performance to date and an indication of potential challenges to success where applicable.

Changes to KPIs

The KPIs, detailed below, have been removed following an assessment of their ongoing suitability for measuring the success of implementing the strategy.

- Managed advisory service yield (bps) – this measure is no longer appropriate; the Group's focus is now on the provision of discretionary services.
- Support staff to CF30 ratio – this measure has become less meaningful as efficiency has been achieved in part by reduction of client facing staff and cost control.

The target for the discretionary service yield KPI has been removed, as it was introduced to monitor the rollout of national pricing across the Group. This initiative was completed during the financial year ended 2014 and so the target has become less meaningful. The KPI, however remains relevant.

Key to strategic and financial objectives

1 *Revenue Growth*

2 *Improved Efficiency*

3 *Capital Sufficiency*

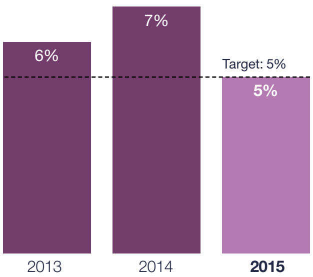
4 *Dividend Growth*

A detailed explanation of the calculations used for the KPIs are contained in the Appendix, see page 149.

[1] Adjusted for discontinued operations – see note 13.

1 *Revenue growth*

Discretionary FUM inflows

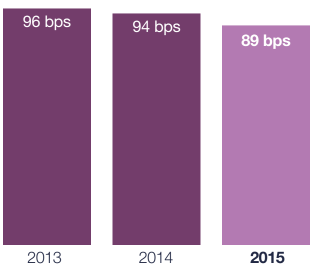


Definition
The value of annual net inflows as a percentage of opening FUM for our Discretionary service.

Performance during the year
Net inflows were £1.1 billion.

Potential challenges
Failure to successfully execute on the strategy for attracting direct inflows – see Chief Executive's Statement.

Discretionary service yield

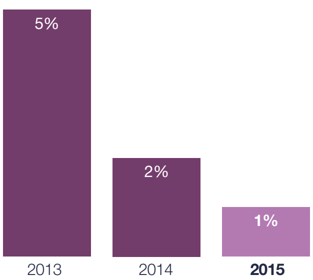


Definition
The average annual total fee and commission income measured as a percentage return on average annual FUM for our Discretionary service.

Performance during the year
The yield has reduced in line with commission income and the impact of the change in mix of new flows, with higher inflows from intermediaries and modelled portfolios.

Potential challenges
Failure to create new direct client flows will reduce the yield. Industry wide pricing pressure may impact yield.

Revenue growth[1]



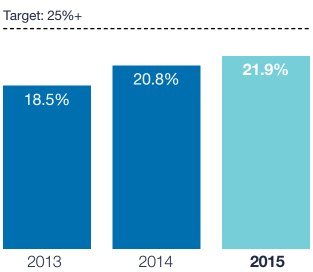
Definition
The percentage increase in Group total annual income.

Performance during the year
Core income grew by 5%, other income fell by 23% resulting in overall revenue growth of 1%.

Potential challenges
The challenge faced by the Group is achieving net inflow targets, maintaining income yield and the impact of financial market movements.

2 *Improved efficiency*

Adjusted[1,2] PBT margin

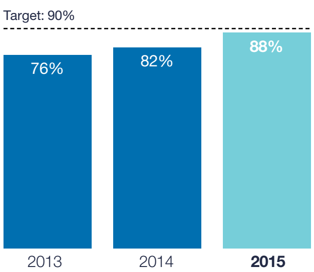


Definition
Reported Group total annual adjusted profit before tax as a percentage of Group total income.

Performance during the year
Continued delivery of strategic initiatives on both growth and particularly efficiency has driven the increase in the year.

Potential challenges
Failure to deliver both revenue growth, as explained above, and cost targets.

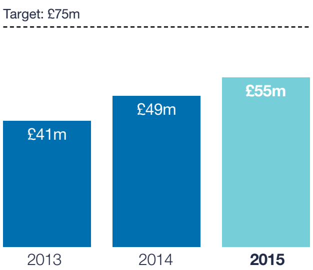
% of managed FUM in Discretionary service



Definition
The proportion of our period end value of client FUM in our discretionary service, as a percentage of total period end managed and advised FUM.

Performance during the year
The increase is as a result of the implementation of the strategy to focus on discretionary services.

Discretionary FUM per CF30

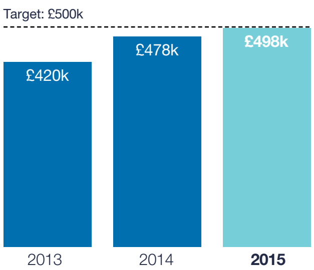


Definition
The period end total value of client FUM in our discretionary service divided by the period end number of client facing professional Investment Managers and Financial Planning staff ('CF30s').

Performance during the year
The increase in the period reflects the net funds inflow, investment performance and lower headcount.

Potential challenges
Failure to grow FUM in an efficient manner.

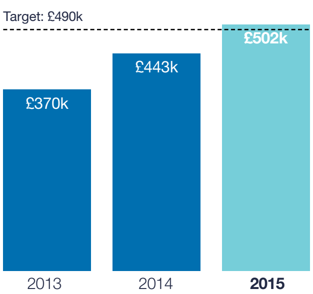
Average client portfolio



Definition
The average value of FUM per client for our managed/advised services. Calculated based on period end total reported managed/advised FUM divided by period end number of client relationships.

Performance during the year
Change in client mix towards larger portfolio sizes.

Discretionary income per CF30



Definition
Total annual fee and commission income from our discretionary service divided by the period end number of client facing professional Investment Managers and Financial Planning staff ('CF30s').

Performance during the year
Increase in average client portfolio, together with a reduction in headcount have driven the increase.

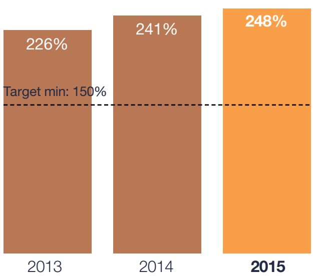
[1] Adjusted for discontinued operations and IFRIC 21 adjustment – see notes 2,13 and 37.

[2] Excluding redundancy costs, FSCS levy rebate, onerous contracts provision, amortisation of client relationships, impairment of intangible assets – software, licence provision and disposal of available-for-sale investment.

MEASURING OUR PERFORMANCE CONTINUED

3 *Capital sufficiency*

Capital adequacy ratio

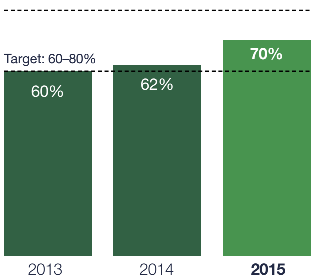


Definition
The ratio, as a percentage, of the Group's period end total regulatory capital resources to the period end minimum total regulatory capital requirement.

Performance during the year
Capital adequacy ratio remains well above the target of 150%. The increase is due to an increase in regulatory capital resources as a result of profit retention.

4 *Dividend growth*

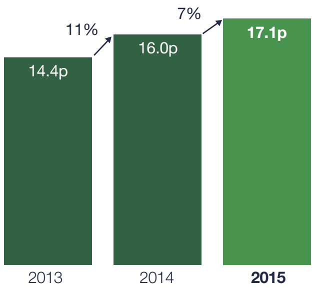
Dividend payout ratio



Definition
The ratio of total annual dividend per share (interim and final), as a percentage, to total reported annual adjusted diluted earnings per share.

Performance during the year
Dividend in line with target payout ratio.

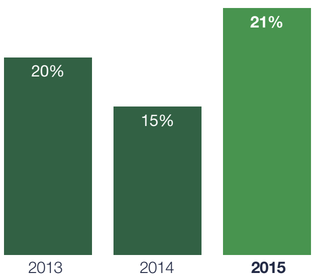
Adjusted[1,2] EPS growth – diluted



Definition
The annual percentage change in reported adjusted diluted earnings per share.

Performance during the year
Driven by 7% growth in adjusted PBT.

Dividend growth



Definition
The percentage change in total annual dividend per share (interim and final).

Performance during the year
Dividend growth driven by increased adjusted earnings and increase in payout ratio from 62% to 70%.

[1] Adjusted for discontinued operations and IFRIC 21 adjustment – see notes 2, 13 and 37.

[2] Excluding redundancy costs, FSCS levy rebate, onerous contracts provision, amortisation of client relationships, impairment of intangible assets – software, licence provision and disposal of available-for-sale investment.

RESULTS

Results for the year

Underlying financial performance for the period ended 30 September 2015 was good. Adjusted profit before tax, from continuing operations, grew by 7% to £62.2 million (2014: £58.4 million) and adjusted EPS increased by 7% to 17.1p per share (2014: 16.0p).

Adjusted profit growth was driven by increased income, 1% higher than the prior year, together with improving efficiency, reflected by fixed operating costs declining by 1%, and an increase in adjusted PBT margin to 21.9% from 20.8%.

Profit before tax, from continuing operations, increased substantially to £61.0 million (2014: £6.8 million). In addition to underlying profit growth, the large increase was primarily a result of a non-recurring loss of £33.7 million in 2014 relating to the termination of the rollout of a new operating system, a £9.7 million gain in 2015 from the sale of the Group's holding in Euroclear plc, and a reduction in the amortisation of client relationships.

In line with the Group's focus on its primary services, the Group announced the sale of Stocktrade, its Execution Only division, in May, with the sale expected to complete in 2016. The underlying operating results of Stocktrade, in both 2015 and 2014, together with the financial impact of separation and sale related costs, are reported as discontinued operations.

A loss before tax of £10.4 million in discontinued operations (2014: £1.6 million profit before tax), was a result of separation and sale related costs regarding the above Stocktrade transaction being recorded in this year's results (see note 13). The £14 million sale proceeds are expected to be recognised in the next financial year.

	2015 £m	2014[1] £m	Change
Total income	**283.7**	280.8	1%
Fixed staff costs	**(104.0)**	(98.5)	6%
Other operating costs	**(69.0)**	(76.1)	-9%
Total fixed operating costs	**(173.0)**	(174.6)	-1%
Adjusted[2] profit before variable staff costs	**110.7**	106.2	4%
Variable staff costs	**(49.0)**	(48.8)	1%
Adjusted[2] operating profit	**61.7**	57.4	7%
Net finance income	**0.5**	1.0	
Adjusted[2] profit before tax	**62.2**	58.4	7%
Exceptional items	**8.0**	(38.0)	
Amortisation of client relationships	**(9.2)**	(13.6)	
Profit before tax (continuing operations)	**61.0**	6.8	797%
Taxation	**(12.7)**	(1.4)	
Profit after tax (continuing operations)	**48.3**	5.4	
Earnings per share			
Basic earnings per share	**17.7p**	2.0p	
Diluted earnings per share	**17.1p**	1.9p	
Adjusted[2] earnings per share[1]			
Basic earnings per share	**18.0p**	17.0p	
Diluted earnings per share	**17.1p**	16.0p	7%

[1] Restated see notes 2 and 37.

[2] Excluding redundancy costs, FSCS levy rebate, onerous contracts provision, amortisation of client relationships, impairment of intangible assets – software, licence provision and disposal of available-for-sale investment.

RESULTS CONTINUED

Reconciliation of adjusted profit before tax to statutory profit before tax (continuing operations)

	2015 £m	2014[1] £m	Change
Adjusted profit before tax	**62.2**	58.4	7%
Redundancy costs	**(2.4)**	(2.3)	
FSCS levy rebate	**1.1**	–	
Termination of new software	**–**	(33.7)	
Profit on disposal of available-for-sale investment	**9.7**	–	
Onerous contracts	**(0.4)**	(2.0)	
Total exceptional items	**8.0**	(38.0)	
Amortisation of client relationships	**(9.2)**	(13.6)	
Statutory profit before tax of continuing operations	**61.0**	6.8	797%

[1] Restated see notes 2 and 37.

Explanation of adjusted profit before tax and reconciliation to financial statements

Adjusted PBT and adjusted diluted EPS are used to measure and report on the underlying financial performance of the Group. Together with the adjusted PBT margin (being adjusted PBT as a percentage of total income), they are useful measures for investors and analysts. Additionally, they are used as key performance indicators for various incentive schemes, including the annual bonuses of Executive Directors and long-term incentive plans (as set out in the Remuneration Report page 66).

These adjusted profit measures are calculated based on statutory PBT, as reported in the financial statements, adjusted to exclude various items of income or expense.

Items adjusted for are typically infrequent or unusual in nature. They include non-recurring items. For example, a material one-off gain, such as the sale of an available-for-sale asset e.g. the sale of the Group's holding in Euroclear plc during the period and one-off expenses such as the impairment charge suffered in 2014 on the termination of a major software project. Other items of income or expense, adjusted for may recur from one period to the next, such as the redundancy costs and onerous contract charges, detailed below, which have occurred in recent financial years. Although they may recur over one or more periods, they do not represent long-term expenses of the business and are generally the result of material restructuring decisions.

Additionally, the amortisation expense of client relationships acquired is an expense which investors and financial analysts typically add back when considering profit before tax or earnings per share ratios and is therefore adjusted for.

Funds under management

£bn	28 September 2014	Inflows	Outflows	Internal transfers	Net flows	Growth rate %	Investment Performance	30 September 2015
Discretionary	24.0	2.1	(1.3)	0.3	1.1	5%	(0.3)	24.8
Execution only	3.1	0.4	(0.6)	1.0	0.8	26%	(0.2)	3.7
Advisory	5.4	–	(0.4)	(1.3)	(1.7)	-31%	(0.2)	3.5
Total funds[1]	**32.5**	**2.5**	**(2.3)**	**–**	**0.2**	**1%**	**(0.7)**	**32.0**

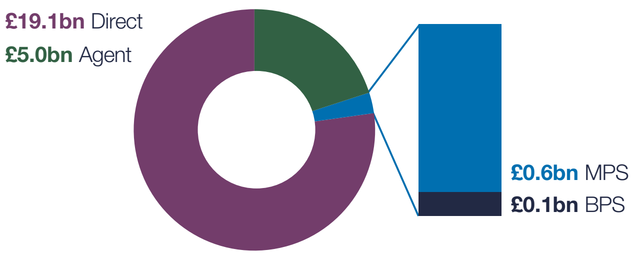
Indices	28 September 2014	30 September 2015	Change
FTSE WMA Private Investor Series Balanced Portfolio	3,462	3,421	-1.2%
FTSE 100	6,649	6,062	-8.8%

[1] Continuing operations.

During the year we continued to focus on growing our core discretionary service. Net inflows of £1.1 billion (2014: £1.4 billion) were achieved, in line with our target of 5% per annum (2014: 7%), and gross external inflows were £2.1 billion (2014: £2.3 billion).

Further successful development of our intermediaries business, including both bespoke and model solutions, resulted in strong gross inflows of £1.1 billion (2014: £0.9 billion) as we capitalised further on the trend for intermediaries to outsource their investment management needs.

Discretionary FUM split (£bn)



Direct client inflows of £1.0 billion (2014: £1.4 billion) were achieved, helped by the inflows of integrated wealth management accounts (£0.2 billion). Over 10% of our direct private client discretionary FUM is now receiving financial planning advice, and as part of our growth initiatives for direct business, we aim to grow this to 30% over the course of the next five years.

Taking into account the impact of negative investment returns from the market falls witnessed in the second half of the financial year; the WMA Balanced index fell by 7% from March 2015 to September 2015, further successful conversion of advisory accounts (£0.3 billion) and outflows of £1.3 billion, total discretionary FUM grew by 3% to £24.8 billion from £24.0 billion in September 2014.

Total outflows across all service categories, including advisory which was withdrawn for new clients in 2014, declined slightly to £2.3 billion (2014: £2.4 billion), and we expect the rate of outflows to decline further over time, in particular, as the effects of the recent reduction in the number of offices, become less significant.

Total advisory FUM fell by £1.9 billion, a 35% reduction (2014: 22%) principally as a result of net outflows of £1.7 billion and negative investment performance of £0.2 billion. This decline was anticipated given the withdrawal of this service to new clients and the focus on the discretionary service. However, we successfully retained a much higher proportion of the advisory outflow by converting to continuing discretionary or execution only services. £1.3 billion out of £1.7 billion (76%) was successfully converted, compared to a conversion rate of 63% in 2014.

Execution only FUM was £3.7 billion (2014: £3.1 billion), including positive internal transfers of £1.0 billion. Execution only services are no longer offered on a standalone basis.

The FUM above excludes Stocktrade, the Group's Execution Only division, which is in the process of being sold. Stocktrade had assets under administration of £3.6 billion at 30 September 2015.

RESULTS CONTINUED

Income

Total income increased by 1% to £283.7 million (2014: £280.8 million) and is analysed as follows:

	2015 £m	2014[1] £m	Change
Discretionary investment management	**225.5**	215.9	4%
Financial planning	**15.7**	13.0	21%
Execution only	**10.1**	9.7	4%
Core income	**251.3**	238.6	5%
Advisory investment management	**24.4**	31.6	-23%
Trail income	**4.5**	5.2	-13%
Interest	**3.5**	5.4	-35%
Other income	**32.4**	42.2	-23%
Total income	**283.7**	280.8	1%

[1] Adjusted for discontinued operations – see note 13.

Core income increased by 5% to £251.3 million (2014: £238.6 million).The continued focus on the core discretionary service led to income growth of 4% to £225.5 million (2014: £215.9 million), driven by an increase in the average FUM compared to the prior year, partially offset by a reduction in the income yield.

Financial planning income increased by 21% to £15.7 million (2014: £13.0 million), as a result of increasing numbers of clients advised by our Financial Planners.

Execution only income grew by 4% to £10.1 million, supported by the inward transfer of £1 billion of FUM from the advisory service.

Advisory investment management income fell by 23% to £24.4 million (2014: £31.6 million), primarily as a result of advisory FUM reducing by 35% to £3.5 billion (2014: £5.4 billion).

Trail and interest income reduced by 13% and 35% respectively. Trail commission is expected to decline rapidly in advance of the introduction of MiFID II. Net interest income declined as a result of lower interest rates available from our banks.

Fees and commissions

Total income from the discretionary, execution only and advisory services was £260.0 million (2014: £257.2 million). The split of fees and commissions is shown in the table below:

	2015 £m	2014[1] £m	Change
Fees	**188.5**	175.9	7%
Commissions	**71.5**	81.3	-12%
Total	**260.0**	257.2	1%

[1] Adjusted for discontinued operations – see note 13.

Income yield

Investment market conditions during the year were generally poor, with periods of elevated volatility combining with a lack of clear direction or momentum in the equity markets. The FTSE 100 index was down by 9% over the course of the year, and the WMA Balanced index was 1% lower.

This resulted in generally lower transactional volumes across all service categories and the reduction in overall income yield, for investment management services, by 2bps, to 78bps.

The yield on our core discretionary service further declined marginally as a result of an increasing proportion of agent related investment management business, which has a lower fee level than direct client business.

Transfers of lower yielding advisory business to execution only led to the advisory yield increasing by 4bps to 57bps.

	2015 bps	2014 bps
Discretionary	**89**	94
Advisory	**57**	53
Execution Only	**28**	32
Overall	**78**	80

Costs

The continuing benefits of the efficiency initiatives of the last three years have resulted in a decline in total fixed operating costs of 1% to £173.0 million (2014: £174.6 million).

Fixed staff costs

Fixed staff costs rose by 6% to £104.0 million (2014: £98.5 million). The increase is primarily the result of temporary staff costs associated with the design, testing, implementation and quality assurance of the enhanced client advice process implemented during the year.

Other operating costs

Other operating costs decreased by 9% to £69.0 million (2014: £76.1 million). Lower property costs resulting from a smaller office network, lower professional fees and a decline in variable costs all contributed to the reduction.

Variable staff costs

Variable staff costs increased by 1% to £49.0 million (2014: £48.8 million), slightly lower than the rise in adjusted profit before variable staff costs (4%). The expense relates to a combination of cash awards and deferred equity linked awards, the cost of which is spread over the vesting period.

Exceptional items

Net exceptional gains of £8.0 million in 2015 (2014: costs of £38.0 million), comprised of a number of elements: £9.7 million gain from the sale of the Group's investment in Euroclear plc; redundancy costs of £2.4 million (2014: £2.3 million) and £1.1 million income as a result of a levy rebate from the Financial Services Compensation Scheme ('FSCS') (see note 8).

In 2014, £33.7 million losses were recognised as a result of the decision to terminate the rollout of a new operating system, and £2.0 million (2015: £0.4 million) of additional provisions were made in respect of onerous contracts in relation to surplus property resulting from branch closures.

Amortisation of client relationships

Amortisation of client relationships decreased to £9.2 million (2014: £13.6 million), as a result of previously acquired client relationships reaching the end of their amortisation periods.

Pension fund

The deficit on the final salary pension scheme reduced from £7.7 million to £2.9 million which contributed to an actuarial gain of £2.1 million (2014: £1.2 million loss). Under IAS 19, large annual fluctuations can occur. The Group has agreed to make additional payment contributions of £3 million per annum, as part of the recovery plan agreed with the trustees of the Group's Defined Benefit Pension Scheme (see note 27).

Capital resources and regulatory capital

The Group's financial position is strong with net assets of £219.2 million at 30 September 2015 (2014: £211.3 million). Tangible net assets (net assets excluding intangibles and shares to be issued) are £141.5 million (2014: £136.2 million), and have grown by 4% in 2015.

The Group's primary regulator is the Financial Conduct Authority ('FCA'). The FCA rules determine the calculation of the Group's regulatory capital resources and regulatory capital requirements. Additionally, as required under FCA rules, we perform an Internal Capital Adequacy Assessment Process ('ICAAP') which includes performing a range of stress tests to determine the appropriate level of regulatory capital that the Group needs to hold.

At 30 September 2015, the Group had regulatory capital resources of £145.3 million (2014: £141.1 million), see note 26 to the financial statements.

The Group's Pillar III disclosures are published annually on our website and provide further details about regulatory capital resources and requirements.

RESULTS CONTINUED

Cash flow and capital expenditure

The Group's cash balances increased by £14.7 million to £149.8 million (2014: £135.1 million). The Group generated significant positive cash flow of £15.0 million (2014: £21.9 million).

Adjusted EBITDA increased by £4.2 million to £78.6 million. £3 million was contributed to the defined benefit pension scheme. Capital expenditure of £7.6 million (2014: £10.5 million) was spent on the purchase of software and fixed assets. Except for the £3.2 million 2014 spend on capitalised software related to the terminated software project, expenditure was largely unchanged. 2015 expenditure includes £4.9 million on software which will provide additional functionality for both employees and clients. There was a net outflow of £10.6 million (2014: £6.4 million) from tax payments, less interest receipts.

Net cash inflows of £5.2 million (2014: £5.5 million outflows) arose from a number of exceptional items, with £10.2 million proceeds from the sale of the stake in Euroclear plc and £1.1 million from the FSCS levy rebate, offset by £6.1 million outflows from redundancy payments, onerous lease settlements and the settlement of the 2014 licence provision.

Cash outflow for own share 'matching' purchases in the period comprised £19.8 million (2014: £7.8 million) for the Deferred Profit Share Plan ('DPSP') and Equity Award Plan, including matching the awards made in 2014 and those made in 2012 under the DPSP, all past awards are now fully matched. £0.2 million (2014: £0.2 million) of shares were purchased for the Share Incentive Plan (see note 31).

Shares issued for cash of £1.9 million is a result of the issue of shares in relation to Approved Share Options and Nil Paid Shares (see note 28) and is £1.1 million lower than in 2014.

Dividends paid in the period increased by 17% to £27.0 million (2014: £23.1 million).

	2015 £m	2014 £m
Adjusted profit before tax	**62.2**	58.4
Finance income and costs	**(0.5)**	(1.0)
Adjusted operating profit (EBIT)	**61.7**	57.4
Share-based payments	**8.9**	8.5
Depreciation and amortisation	**8.0**	8.5
Adjusted EBITDA	**78.6**	74.4
Pension funding	**(3.0)**	(3.0)
Capex	**(7.6)**	(10.5)
Working capital	**(4.2)**	(1.4)
Interest and taxation	**(10.6)**	(6.4)
Exceptional items	**5.2**	(5.5)
Discontinued operations	**1.7**	2.4
Shares purchased	**(20.0)**	(8.0)
Shares issued for cash	**1.9**	3.0
Cash flow pre-dividends	**42.0**	45.0
Dividends paid	**(27.0)**	(23.1)
Cash flow	**15.0**	21.9
Opening firm's cash	**135.1**	113.5
Exchange and other non-cash movements	**(0.3)**	(0.3)
Closing firm's cash	**149.8**	135.1

Going concern

The Group's business activities, performance and position, together with the factors likely to affect its future development are set out in the Chairman's Statement, Strategic Report and Risk Committee Report.

The Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit risk and liquidity risk are described in note 26 to the financial statements.

The Directors believe that the Group is well placed to manage its business risks successfully. The Group's forecasts and projections, taking account of possible adverse changes in trading performance, show that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements. In forming their view, the Directors have considered the Group's prospects for a period exceeding twelve months from the date the financial statements are approved.

Viability Statement

The Directors have assessed the outlook of the Company over a longer period than the twelve months required by the 'Going Concern' statement in accordance with the 2014 UK Corporate Governance Code.

The assessment relied on, the Medium Term Plan ('MTP'); Internal Capital Adequacy Assessment Process ('ICAAP') and evaluation of the Group's principal risks and uncertainties, including those that would threaten its business model, future performance or solvency.

The Group prepares annually, a five year MTP as part of its corporate planning process, which is a financial articulation of the Group's strategy. The Group continually improves the quality of its financial forecasting model, which is predicated on a detailed year one budget and higher-level forecasts for years two to five.

As a matter of good practice and as part of the ICAAP required by the Financial Conduct Authority ('FCA'), the firm performs a variety of stress tests including reverse stress tests. Three stress tests are performed; a market wide stress, a Group specific (idiosyncratic) stress and a combined stress taking into account both market wide and Group specific events. The stress tests are derived through discussions with senior management, after considering the principal risks and uncertainties faced by the Group.

The stress tests enable:

- the Group to model a variety of external and internal events that impact the MTP, identifying the potential impact of stress events on income, costs, cash flow and capital; and
- the Board to assess the effectiveness of any management actions that may be taken to mitigate the impact of the stress events.

The reverse stress tests allow the Board to assess scenarios and circumstances that would render its business model unviable, thereby identifying potential business vulnerabilities and ensuring the development of potential mitigating actions.

Following the assessment of the above, the Board concluded that the Viability Statement should cover a period of three years. Whilst the Directors have no reason to believe that the Group will not be viable over a longer period from its assessment of the MTP, this period has been chosen because a three year time horizon has a much greater degree of certainty and provides an appropriate longer term outlook.

Taking account of the Group's current position and principal risks and the Board's assessment of the Company's prospects, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over a period of at least three years.

PRINCIPAL RISKS AND UNCERTAINTIES

To ensure a common understanding of risk in the context of the Group's business, the Board have adopted the following risk definition: "Uncertainty of outcome of actions or events that will impact on the business objectives, whether as an opportunity or a threat".

To assist a uniform understanding of risk across the Group, all risks are organised around one of three high level risk groups. These are:

- Strategic and Business
- Financial
- Operational

Each high level risk group contains a series of specific risks to ensure that all risks can be reported clearly and accurately. This also ensures the Group can assess the financial resources it is required to hold against these.

Risk management

Whilst it is everyone's responsibility to manage risks within their domain, ultimate accountability for risk management resides with the Board, which is responsible for setting the Group's risk appetite and ensuring that there is an adequate and appropriate Risk Management Framework in place. The implementation and delivery of that framework is a collective responsibility across the Group, with senior management, the Group Risk and Compliance Director and the Head of Risk playing pivotal roles in achieving this. The Finance Director has responsibility for the oversight of the management of the Group's financial risks. The Executive Committee has the responsibility for oversight of strategic and business risks and has delegated responsibility to the Risk Management Committee for day-to-day oversight of financial and operational risk matters.

The Board understands that a clear Risk Management Framework is a fundamental requirement for effective governance. However, for a Risk Management Framework to be effective, it requires every employee within the organisation to adhere to and advocate the risk culture set by the Board.

In pursuit of that aim, the Group has followed industry good practice for risk management governance through the adoption of the 'three lines of defence' model. The Board believes this approach best serves the interests of Brewin Dolphin's clients and other stakeholders by ensuring accountability of management and the proportionate allocation of resource within the oversight and control functions.

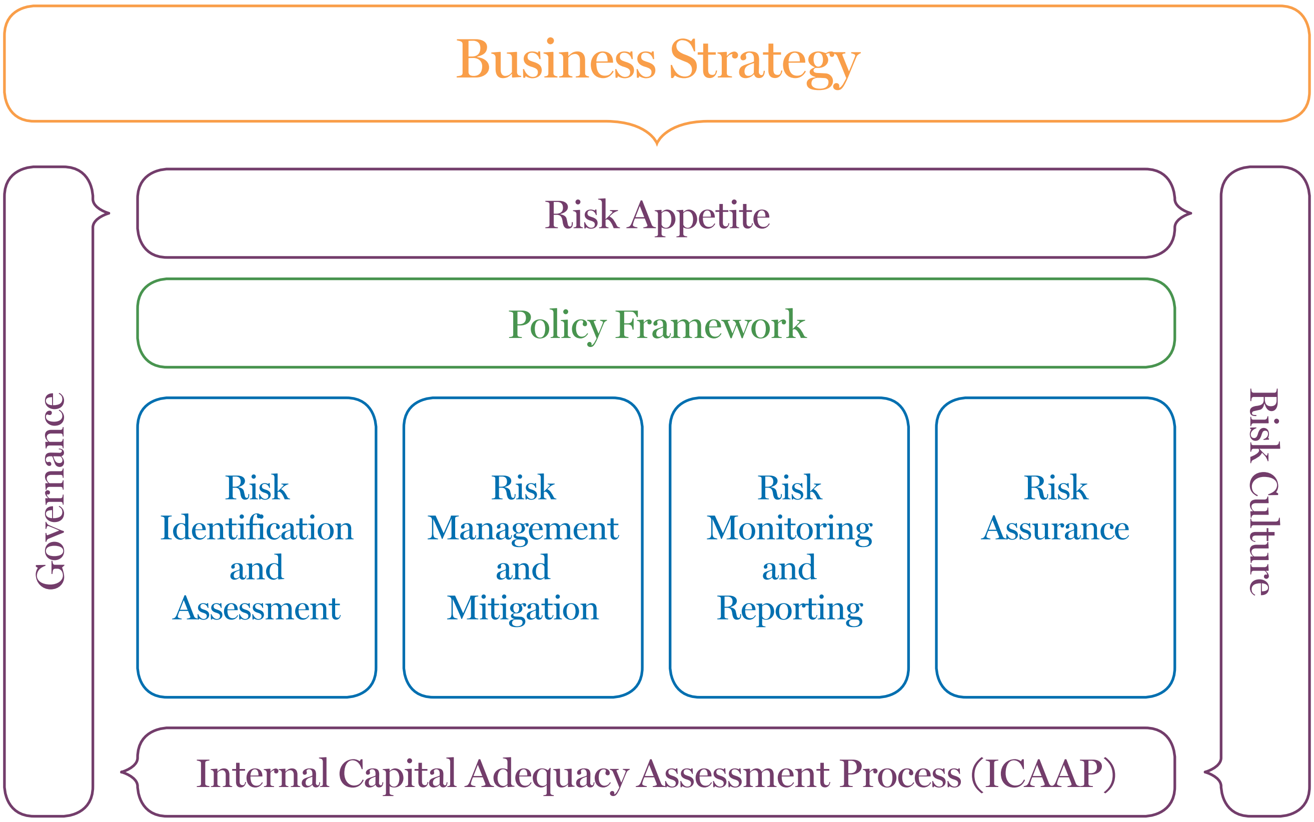
The Board regularly assesses the effectiveness of the Group's internal controls through the review and challenge of reports from the Group's Audit Committee and Board Risk Committee, together with the appraisal of issues escalated from the business through the Group's Executive Committee. In addition, the Group's Risk and Compliance Department and Internal Audit independently carry out reviews and report to the Board Audit Committee, Board Risk Committee and the Board.

Objectives of risk management

The prime objectives of risk management in the Group are to ensure there is:

- A strong risk culture so that employees are able to identify, assess, manage and report against the key risks to the business and implement the Group's business strategy.
- An appropriate balance between risk and the cost of control.
- A defined risk appetite within which risks are managed.
- A swift and effective response to incidents in order to minimise impact.

Risk Management Framework



Risk culture

Conduct Risk and the risk culture of the Group are considered by the Board Risk Committee. The Group aims to foster a risk-aware culture throughout the business by promoting:

- A distinct and consistent tone from the top.
- Clear accountabilities for those managing risk.
- Prompt sharing and reporting of risk information.
- A commitment to ethical principles.
- Appropriate levels of conduct and considered risk taking behaviour.
- Recognition of the importance of knowledge, skill and experience in risk management.
- Members of staff at all levels to make suggestions for improving processes, controls etc.
- An acceptance of the importance of continuous management of risk, including clear accountability for and ownership of specific risks.

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Risk	Description	Key Mitigators
Business and Strategic Risk		
Acquisitions and disposals	The risk that mergers, acquisitions or divestments made by the Group do not achieve stated strategic objectives or give rise to ongoing or previously unidentified liabilities.	• Risk appetite set by the Board • Robust governance and challenge from independent Non-Executive Directors • Independent legal, accounting, regulatory and commercial due diligence • Managing businesses' integration in line with Group strategy once acquired
Business model	The risk that the Group's business model inadequately meets its objectives or fails to respond to changes in the market resulting in an adverse impact upon sustainable growth, clients or profitability.	• The potential risks and threats to the strategy and business model are considered by the Board Risk Committee and escalated to the Board • Divestment of non-core lines of business
Regulatory change	The risk that changes to the regulatory framework the Group operates within materially affects the Group's business model, proposition, overheads or operations.	• Strategy to ensure the business model remains flexible and responsive to changes in the regulatory framework • Risk and Compliance function provide regular updates to the Executive Committee and Board Risk Committee on the impact of upcoming regulatory change • Active dialogue with regulators, the Government and industry bodies
Client outcomes	The risk that client outcomes are insufficiently considered as part of decision making within the Group's processes leading to poor outcomes for clients.	• Investment Governance Committee provides product and service governance including alignment with strategy, appetite for risk and client interests and outcomes • Conduct Risk Management Framework is being enhanced and is overseen by the Board Risk Committee • Independent monitoring by the Compliance function • Independent Client Services team reporting to the Group Risk and Compliance Director handles client complaints
Direction of change:		The level of business and strategic risk faced by the Group has increased over 2014/15, primarily driven by the degree of change in the regulatory and external environments. Internal changes included the launch of BPS on the Brewins Direct platform, which widens our offering by providing a non-advisory investment service for clients with smaller sums to invest, the sale of Stocktrade and changes to the Brewin Dolphin core proposition. These changes are intended to reduce business and strategic risk over the longer term and are critical in reaching the Group's strategic and long-term objectives.
Financial Risks		
Credit and Counterparty, Tax, Liquidity, Market, Pensions	Brewin Dolphin is not materially exposed to any of these risks, but monitors and maintains controls against them.	• A Financial Risk Management Committee has been established to identify, measure and monitor those risks
Direction of change:		There were no material changes to the level of financial risk faced by the Group in 2014/2015.

Risk	Description	Key Mitigators
Operational Risks		
Business change	The risk that business change projects are ineffective, fail to deliver stated objectives, or result in resources being stretched to the detriment of business as usual activities.	• Over-arching governance of business critical programmes provided by Executive and Board • In-house change team reporting to Chief Operating Officer provides strong project management capability
Business continuity and disaster recovery	The risk that a physical business continuity event or system failure results in a reduced ability, or inability to perform core business activities or processes.	• Dedicated business continuity function within the Group • Regular testing of business continuity and disaster recovery processes • Escalation protocol in place to facilitate prompt response to material incidents
Criminality	The risk of unauthorised access to, or external disclosure of, client or company information or assets by any persons internal or external to the Group.	• Dedicated Information Security team reporting to the Group Risk and Compliance Director • IT Risk Framework in place supported by an ongoing programme of IT Risk assessments • Whistleblowing policy in place with oversight from the Audit Committee
Legal and Compliance	The risk of regulatory sanction or legal proceedings as a result of failure to comply with regulatory, statutory or fiduciary requirements, or as a result of a defective transaction.	• Compliance framework in place across the Group which operates to a 'three lines of defence' governance model • Governance and reporting of regulatory risks through the key Client Asset Oversight Committee, Investment Governance Committee and Risk Management Committee • Compliance with legal and regulatory requirements including relevant codes of practice
Outsourcing and procurement	The risk of third party organisations inadequately or failing to provide or perform the outsourced activities or contractual obligations to the standards required by the Group. The risk of third party suppliers inadequately or failing to supply in accordance with their obligations.	• A Vendor Risk Management Framework in place, overseen by the Vendor Risk Management Committee, a sub-committee of the Risk Management Committee • The framework includes processes to identify and approve all outsource and/or vendor relationships, to perform effective due diligence and requires effective contractual arrangements and service level agreements to be put in place
People	The risk of loss of key staff, insufficient skilled resources and inappropriate behaviours or actions.	• Performance management framework in place to develop, motivate and retain staff and reward appropriate behaviour
Processing and systems	The risk that the design or execution of business processes (including dealing) is inadequate or fails to deliver an expected level of service and protection to client or Group assets.	• Independent Risk function in place to provide second line review and challenge to operational processes and controls • A framework to identify key risks and controls using Risk and Control Self assessments is carried out on key business processes

Direction of change: The level of Operational Risk has decreased over the past year due to the effective introduction of an enhanced Operational Risk Management Framework and operating system.

CORPORATE RESPONSIBILITY

"We take our responsibility as a corporate citizen seriously and have relaunched our corporate responsibility programme during the year to build on existing practices and embed them across the Group."

David Nicol
Chief Executive

Our corporate responsibility strategy is built around four pillars:

1
People and Culture

2
Clients and Governance

3
Communities

4
Environmental Sustainability

Corporate responsibility strategy

Our objective is to continue to manage the business responsibly for the long-term benefit of our stakeholders.

During 2015, the Group began to implement the corporate responsibility strategy agreed by the Board in 2014 to establish a Corporate Responsibility Committee and leverage the existing work done by the Group and its employees to refine and enhance the Group's efforts in the field of corporate responsibility and philanthropy.

In April 2015, we became a member of Business in the Community, which is part of the Prince's Responsible Business Network. In September 2015 we announced our sponsorship of Enabling Enterprise, an organisation our employees have been working with for a number of years, which helps equip school pupils with workplace skills. We were proud to take part in the Lord Mayor's City Giving Day in London on 30 September 2015 by holding a number of activities to celebrate and encourage charitable giving including the launch of our volunteering policy.

More than
£144,000
charitable donations raised by our employees for more than 120 *charities*

1 *People and Culture*

People

As a business built on personal relationships and service, we recognise that our people are our most important assets, vital to the Group's reputation and continued success. To meet the high expectations we set for ourselves we need to attract, nurture and retain the best people, and we consider ourselves to be an employer of choice within the Wealth Management sector. This year we appointed a Group Director of Human Resources who is developing a more strategic approach for developing, retaining and rewarding employees.

Our culture

The Group has a rich heritage, reaching back 250 years, built on trust and integrity. These values remain crucial to the business and our employees in it as we adapt to the changing conditions in our marketplace and the evolving demands of our clients. To attract, retain and nurture the best people it is important that we recognise hard work, and that behaviour is aligned to our values and demonstrates a commitment to the Group, its objectives and its clients.

Diversity and inclusion

The Board has a strong commitment to maintaining a working environment based on equality and diversity.

Brewin Dolphin is an inclusive employer and we have a number of initiatives in place to improve our diversity. We believe this will allow us to bring value to our clients and to create a rewarding environment for our employees.

We have female representation on the Board of 33% and 17% on the Executive Committee (one in six). Across the Group we have an employee headcount of 1,693, of which 748 (44%) of our employees are women. We are keen to create opportunities for more women to be promoted to senior roles across the Group. During the year, we held a number of events on the subject of 'Navigating your Career', aimed at women across the organisation. These events provide the opportunity for female employees at all levels to meet Directors of Brewin Dolphin and ask questions about career progression.

We recognise that we can broaden the diversity of our workforce and this is as an area that our Diversity Committee will be focusing on in 2016.

All employment decisions are made irrespective of colour, race, age, nationality, ethnic or national origin, sex, mental or physical disabilities, marital status or sexual preference. For employees who may have a disability, the Group ensures proper procedures and equipment are in place to aid them. When it comes to training, career development and promotion, all employees are treated equally and job applications are always judged on aptitude.

Learning and development

We are proud of the suite of learning and development initiatives we offer to our employees to enable them to reach their potential.

By mapping out career paths, we can accelerate the development of those with high potential, ensuring our people have the right skills for the roles they are in and are preparing for the roles they aspire to.

Management skills are important to us. All our people managers are required to complete performance management training and we offer an in-house suite of leadership development training.

Given the talent we have in the business, we believe that an important part of career development rests in established members of staff passing on the benefits of their knowledge and experience to newer colleagues. Although this is something we have always encouraged informally, we see a valuable opportunity to build on that experience and have developed and rolled out our 'Aspire' mentoring programme to accelerate the spread of best practice.

Employee engagement

The Board believes it is vital that staff play an active role in achieving the Group's corporate objectives. We seek to ensure employees are listened to and receive regular communications about Group strategy and financial performance. As part of the drive to engage with employees and understand their needs, and ultimately improve performance, this summer we conducted our first employee engagement survey, called 'Your Future, Your Say', covering a broad range of subjects.

A remarkable 84% of our employees responded. Our overall engagement score was 76%, two points above the benchmark for the financial services sector. The results showed that our employees enjoy their work, have the skills to do their job and are proud to work for Brewin Dolphin. Whilst we are pleased with the results of this survey we are not complacent, we have identified where we need to improve and engagement action plans are being put in place at team and corporate levels. We firmly believe that high employee engagement will be a driver of sustained high performance.

Health and safety

We are committed to making sure that the working environment is safe and conducive to the health of our employees, allowing them to balance work and family commitments. The Group's Health and Safety at Work policy is reviewed annually by the Board and the Director responsible for health and safety is David Nicol.

That commitment to health and safety extends to employees, clients, sub-contractors and others who may be affected by our activities and is underscored by our Health and Safety Management System which ensures compliance with all applicable legal and regulatory requirements and internal standards.

CORPORATE RESPONSIBILITY CONTINUED

2 *Clients and Governance*

Business standards and clients

Everything we do is driven by our focus on our clients. Long-standing client relationships are a crucial part of what makes the Group what it is today.

We take an integrated approach to protecting and growing wealth, combining our expertise and experience in Investment Management and Financial Planning.

Being single-minded about delivering a service to clients that is right for them draws on our heritage and many of our clients and their families have entrusted us to look after their wealth for generations.

Our aim is to be the trusted adviser of choice and serving and managing client relationships enables us to create a strong results-driven business which benefits all of our stakeholders.

The changes we have made, alongside innovation within the business allow us to deliver high quality services consistently.

However, we are not complacent and are constantly striving to work harder for our clients as we grow the business.

Brewin Dolphin takes its corporate responsibility seriously with respect to taxation and aims to be a good corporate citizen by bearing its fair share of the tax burden while at the same time safeguarding its reputation and relationships with clients, shareholders and tax authorities alike. While we are mindful of our obligations to shareholders to ensure tax efficiency, we use only legitimate tax reliefs for the purposes for which they were intended and do not partake in aggressive tax planning or condone tax avoidance as both would contravene our ethics and conservative culture.

A key driver of our tax strategy is to reduce risk as our appetite for tax risk is low. We also aim to promote tax awareness among our staff so that our processes and controls encompass best practice and keep pace with changing tax legislation and requirements. Good tax governance ensures that we are in compliance with tax law in all territories in which we operate.

Stewardship

Brewin Dolphin established a Stewardship Committee to ensure that discretionary clients' interests as holders of securities are protected and, where appropriate, to ensure proactive shareholder action is taken in the best interest of its discretionary clients. Following publication of companies' resolutions, we give our clients the first opportunity to vote the shares for which they are the underlying beneficiary using our online facility, Vote Your Shares, which we introduced in 1998. In the closing days before each AGM, Brewin Dolphin votes the balance of each shareholding not voted by clients and over which we have discretion for the majority of the stocks held in our nominees. Brewin Dolphin publishes the aggregate voting record for these companies on our website after each AGM.

Governance

The Corporate Governance Report on pages 48 to 52 explains how the Group applies the principles of the UK Corporate Governance Code.

3 *Communities*

Brewin Dolphin and our employees are committed to the communities in which we operate. Employees take great pride in the impact they make on their local communities and are actively encouraged to contribute, with efforts ranging from local sponsorships and volunteering, to offering work experience.

Brewin Dolphin Foundation

In recognition of our 250th anniversary in 2012, the Brewin Dolphin Foundation was established to increase the positive contribution we make to the world. It coordinates our charitable activities under one umbrella in order to raise funds for worthy causes and generate a greater impact for beneficiaries. Following a review, the Foundation was further refined in September 2015 with support from Charities Aid Foundation ('CAF') to increase employee engagement and make it easier to take part in charitable activities.

Small Grants Scheme

Staff are offered the opportunity to apply to the Foundation for grants for small charities that support the local community. During the year it donated grants to organisations including Nottinghamshire Hospice, Children's Hospice South West, MediCinema and West of Scotland Deaf Children's Society.

Payroll giving

Over the course of 2015, we were awarded the Payroll Giving Silver award by CAF in recognition of the Group's increased commitment to payroll giving.

Volunteering and education

We have always wholeheartedly embraced volunteering and many of our employees do so enthusiastically. To build on past successes, we launched a volunteering policy in September, offering every member of staff one paid day off to volunteer every year. Not only can staff make a positive contribution to the wider community, but volunteering helps people in achieving their personal goals.

Having become a member of Business in the Community, we signed up for our first Give and Gain Day, a national employee volunteering day in May when a team took part in a mentoring project at an inner city London school.

In the past year we have supported local school children in conjunction with Enabling Enterprises and Career Ready UK and we are proud to help provide bursaries for underprivileged children at the Reed's School in Surrey.

Local sponsorships and community support

We are proud to support many worthwhile local causes spanning the arts and sports. During the financial year we have supported events such as the Borders Book Festival, the Chalke Valley History Festival, Great Yorkshire Show, Marlborough Jazz and Literature Festivals, Moy Highland Field Sports Fair, Norfolk Show, the Scottish Schools Rugby Tournament, Shrewsbury Flower Show and the Taunton Flower Show. We have been a long-term supporter of Cheltenham Cricket Festival and the Durham County Cricket team.

During the year staff took part in a wide variety of fundraising events, both small and large, local and national, such as Race for Life for Cancer Research UK and staff hosting a Christmas Jumper Day for Age UK and Save the Children. Senior Regional Director Stephen Jones took part in the gruelling Tour de France One Day Ahead challenge as part of a team raising money for Cure Leukaemia.

Case Study

Brewin Dolphin is a sponsor of Enabling Enterprise.

Enabling Enterprise's primary aim is that one day all students will leave school equipped with the skills that make them employable, with workplace experience and an aspiration to succeed. These are aims we wholeheartedly endorse and support and with which we are very proud to be associated. Founded by a group of teachers in 2009, it now works with a growing number of students nationally – currently 45,000 – and with over 2,000 teachers. Enabling Enterprise wants to make enterprise a core part of the school curriculum, with dedicated lessons in class and student work experience with businesses.

We have been supporting Enabling Enterprise since 2013 by hosting visits from students to our offices, supported by Brewin Dolphin staff volunteers.

These visits have proved enormously successful for everyone involved. We are keen to support Enabling Enterprise as it develops its programme in the Midlands, the South, the North East and the North West.

During the year we staged Enabling Enterprise days at our London head office and our Birmingham office for pupils from a number of local schools. Other Group offices are planning to hold similar events in the coming year.

Students worked in teams, with a volunteer, to plan a sweet shop business, pitch for funding and make investment decisions, mimicking the financial decision making process in the real world.

CORPORATE RESPONSIBILITY CONTINUED

4 *Environmental Sustainability*

The Group recognises its impact on the environment and strives to minimise it. As a financial services provider, our main environmental focus is on our network of offices and employee travel.

This is the Group's second year of reporting as a quoted company under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Global Green House Gas ('GHG') emissions data for period to 30 September 2015

	Tonnes of CO_2e	
	2014–2015	2013–2014
Emissions from:		
Combustion of fuel & operation of facilities	236	39
Electricity purchased for own use	2,258	2,322
Fugitive emissions – refrigerant losses	8.80	0
Mobile combustion – Business travel from leased assets	3.97	Not reported
Emissions per full time employee	1.5	1.39

Methodology and additional information

The table on this page reports the Group's annual GHG emissions from sources which fall within the consolidated financial statements.

The data collection methodology has been strengthened significantly from the prior year, which was our first year of reporting under the new regulations. Emissions from the combustion of fuel and operation of facilities has increased significantly principally as a result of more sophisticated data collection methodology rather than an increase in underlying consumption.

Included are most of the emission sources that the Group has responsibility for but some emission sources have been omitted based on a lack of data and allocation to Scope 3 which is not reported on. Details of the emissions which have been omitted are given in the 'Emission sources not reported' section below.

The Group has gathered energy use data (natural gas and electricity), refrigerants use as well as business travel mileage and applied emission factors from the UK Government's (Defra) GHG Conversion Factors for Company Reporting 2015. Note that Defra emission factors for 2015 have been updated from those available in 2013 and this should explain any discrepancies between figures in the current reporting year and the comparison year.

Emission sources not reported

This section of the report details the emission sources that the Group have not reported on and the reasons for their exclusion.

Buildings' air conditioning refrigerants use

Space cooling requirements are inseparable from the general electrical consumption figures and it has not been possible to determine how much cooling energy can be allocated specifically to the Group and how much is already embedded in the overall electricity consumption values for buildings in which the Group mostly occupies under shared occupancy. We have had services carried out on all of the air conditioning units in our communications rooms which are under our direct control and have included refrigerant losses in the table above.

Scope 3 emissions under shared occupancy

Following the guidelines of the European Public Real Estate Association (EPRA) set out in 'Navigating through sustainability reporting standards, 2011', we classify certain emissions as scope 3 and so do not report on them. The emissions arise for our shared occupancy tenancy status where we have no sub-meters for HVAC consumption and are recharged for this on an assumed basis via a service charge to the landlord. These scope 3 emissions include:

- electricity data for 3 offices where we are charged via the service charge to the landlord;
- gas consumption for 13 offices where we are also charged via the service to the landlord; and
- any heat and steam not captured via electricity and gas consumption where we are again charged via the service to the landlord.

Data quality

The Group's consumption data comes from two main sources:

- consumption bills from suppliers/reports from property agents (exact data); and
- approximations based on exact data (estimated data).

The Group has used estimated data in some cases due to the lack of complete data for electricity consumption. The section below details the approach the Group have taken to complete these data gaps.

- Where buildings had incomplete electricity consumption figures for certain months over the current reporting period, a conservative approach for estimating this data was chosen. The methodology used was to apply a daily consumption figure calculated by using the month in the dataset with the highest electricity consumption to the months that had missing data.
- In instances where no electricity data was held, the methodology was calculated using the buildings with exact and complete data to calculate average electricity consumption per square metre for each month in the current reporting period. The monthly average consumption per square metre was used to estimate the monthly electricity consumption of buildings with no electricity data, based on individual floor areas.

RESOURCES AND RELATIONSHIPS

To support our business model, as presented on pages 10 to 11, we take an integrated approach to protecting and growing wealth which combines the knowledge and skills from our employees as well as support from our loyal clients and informed investors. We recognise the importance of maintaining good relationships with our suppliers. We also recognise the need to have good levels of communication and positive engagement with our regulators.

Resources

Investment Managers and Financial Planners

To stay competitive we recruit Investment Managers and Financial Planners from across the financial industry, each of whom bring their own specialist knowledge and skills to provide our clients with the very best service available to them.

How we supported our Investment Managers and Financial Planners during 2015

- Provided relevant financial support for training needs.
- Provided additional resource support as required to support cyclical work flows.
- Provided access to comprehensive research provided by our in-house research team.

Outcomes

- We have a strong team of Investment Managers and Financial Planners with expert knowledge in their relevant areas.
- Our knowledge and expertise has been recognised in the wealth management industry. We have won awards for the best discretionary service and best cautious portfolio manager during the year.

Employees

We believe that employee engagement is key to maintaining a motivated workforce.

How have we engaged with our employees during 2015

- We conducted an employee engagement survey. Employees were asked a range of questions regarding their employment within the Group. The results of the survey provided insight into the areas we could improve on as an employer and were presented to the Board in September 2015.
- Every employee is offered the opportunity to attend a formal induction programme when starting their employment with the Group. In addition, various training modules are set for all employees with set completion dates to adhere to. The content on the training modules varies will depend on the role of the employee.
- The Group offers study support for those employees which are undertaking professional qualifications.

Outcomes

- Enhanced relationships with current employees.
- Increased understanding on workplace and Group issues at management and Board level.
- Employees are kept informed of all key business developments.

Suppliers

Our business model requires us to actively engage with suppliers and manage relationships with them across a broad range of services. In cost terms, the key relationships relate to the provision of information technology, market data relating to financial assets, and property services.

We also have key relationships with banks, custodians and asset managers, who enable the Group to manage client assets, the Group's cash and to invest in investment funds on behalf of clients.

How we engaged with our suppliers during 2015

- The Group's vendor management policy sets out the key considerations when appointing and managing a supplier, including the performance of appropriate due diligence, and is incorporated into the ongoing review of key suppliers on an annual basis.
- The Group maintains regular dialogue with all key suppliers.

Outcomes

- Regular review meetings of suppliers' performance against agreed service levels are performed. This ensures the supplier relationship is managed and maintained throughout the contract life cycle, providing mutual commitment and transparency for all parties.

Our brand

We are a modern business with rich heritage and a strong identity for clients. During the year we have worked to further improve the recognition of the Brewin Dolphin brand through our marketing and promotional work.

Relationships

Clients

To ensure that we meet the needs of our clients we maintain good relationships with them. All our Professional Advisers understand this and ensure that they engage formally with clients regularly.

How we engaged with clients during 2015

- Professional Advisers conducted comprehensive client service reviews and assessed the risk appetite of each client to allow a tailored service for the management of their funds.
- Professional Advisers have taken time to listen and understand each of our client's ethical investment requirements. Where a client has specific investment criteria, Professional Advisers have assessed the capability of implementation of the criteria and explained the investment return impact of this implementation to the client.

Outcomes

- Our Investment Managers are able to make informed investment decisions on behalf of clients based on their risk appetite and financial needs.
- Investment service provided by our Investment Managers and advice given by Financial Planners is tailored for each individual client.
- Client service feedback has shown that our services are well received. For further information please see the Chief Executive's Statement on page 17.

Investors

We recognise the importance of constructive engagement with our shareholders and potential investors to ensure that the business is supported by those who have invested in it.

How have we engaged with investors during 2015

- Responded to all investor queries.
- Shareholders were given the opportunity to engage with the Board formally at the Company's Annual General Meeting or informally after the meeting.
- A capital markets briefing for shareholders and potential investors was held during September 2015, where the Group's vision was explained to shareholders and potential investors.
- We held investor roadshows twice a year, once we had published our full year and half-year results announcements, which enabled us to engage with active shareholders.

Outcomes

- Enhanced relationships with current shareholders and potential investors.
- Following roadshows, the Board receives feedback from our corporate brokers and directly from shareholders regarding their major viewpoints.

Regulator

Our industry is regulated and we therefore know the importance of ensuring that we maintain a regular dialogue with regulatory bodies.

How have we engaged with our regulators during 2015

- We have held various meetings with the Group's regulators throughout the year.
- Regular updates on the Group's activities have been provided to the regulators.

Outcomes

- As a result of good engagement with our regulators, we are aware of the regulatory obligations which are under consultation. As the regulatory landscape changes we are able to adapt our own internal policies to ensure that we are compliant with regulatory changes as and when they are introduced and that we identify where further changes provide the opportunity for competitive advantage.

GOVERNANCE

In this section

CHAIRMAN'S INTRODUCTION TO GOVERNANCE

"A company which is able to deliver value to customers is underpinned by high governance standards set by the Board and implemented across the organisation."

Simon Miller
Chairman

Dear Shareholder,

Good corporate governance is critical to the delivery of value to the Group's stakeholders and this section of the report describes how the Group is governed and managed. It also explains how the principles of the UK Corporate Governance Code ('the Code') have been applied throughout the year. The Board is responsible to shareholders for the overall management and oversight of the Group and for its long-term success. In particular, the Board is responsible for agreeing strategy, monitoring financial performance, setting and monitoring risk appetite and maintaining an effective system of internal controls.

Following the 2014 Board evaluation, some changes have been implemented to improve the effectiveness of the Board. Agendas have been restructured to ensure that more time is devoted to strategy and other forward looking issues. There have been further improvements to the flow of management information which is critical in enabling good Board debate and challenge of management. The Board evaluation process was conducted internally this year and the open feedback from all Directors has been valuable in clarifying what is working well and what would benefit from change. The main issues raised included the growth of the business in the context of the Group's strategic objectives, the scope of internal audit and the connection between the Group's Board Risk and Remuneration Committees. Actions to improve the Board's effectiveness in these areas are being developed.

Succession

Since I became Chairman in 2013, four new Non-Executive Directors have been appointed, bringing new skills and experience to the Board. Angela Knight will reach the ninth anniversary of her appointment in July 2016. The Board believes that it is in shareholders' best interests for her to remain on the Board so that we can benefit from her extensive knowledge and experience of both the Group and the wealth management industry. The Board believes that she continues to make a valuable contribution, both as a Non-Executive Director and as the Senior Independent Director and remains independent in every respect.

Diversity

In last year's Annual Report, the Board indicated that it wished to achieve the recommended diversity target of at least 25% female Directors on the Board by September 2015. This was achieved with the appointment of Kath Cates in December 2014. She became Chairman of the Board Risk Committee on 1 September 2015 as part of the planned changes to refresh committee membership.

Annual General Meeting

I would like to encourage our shareholders to attend our Annual General Meeting which will be held at 11.30 am on 5 February 2016, at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED.

Simon Miller
Chairman

1 December 2015

DIRECTORS AND THEIR BIOGRAPHIES

Simon Miller

Chairman

n* r

Simon Miller was appointed Chairman in March 2013. He joined the Board in 2005 and became Deputy Chairman and Senior Independent Director in 2012. He read law at Cambridge and was called to the Bar. He subsequently worked for Lazard Brothers and County Natwest. Since 1994 he has been Chairman of Dunedin LLP. He is also Chairman of Blackrock North American Income Trust PLC and JPMorgan Global Convertibles Income Fund.

David Nicol, CA, Chartered FCSI

Chief Executive

David Nicol is a Chartered Accountant. He was a Director of Morgan Stanley International PLC from 2004 to 2010. He worked for Morgan Stanley for 26 years in a number of Operations and Finance roles and was appointed EMEA CAO in 2004. David was a Non-Executive Director of Euroclear plc from 1998 to 2010. He trained and qualified in 1980 as a Chartered Accountant with Ernst & Young and spent two years working for KPMG in Hong Kong before joining Morgan Stanley in London in 1984. Until September 2015 he was on the Board of the Chartered Institute of Securities and Investments. David is on the Council of the Institute of Chartered Accountants of Scotland and is a member of the Appointment Committee of the Hermes Property Unit Trust. David joined the Board as a Non-Executive Director in March 2012 and was subsequently appointed as Chief Executive in March 2013.

Andrew Westenberger, FCA

Finance Director

Andrew Westenberger joined the Board in January 2013. He was Group Financial Director of Evolution Group PLC from 2009 until August 2011 and a Director of its principal subsidiary Williams de Broe Limited. Andrew qualified as a Chartered Accountant with Coopers and Lybrand, and from 2000 to 2008 held various senior finance roles in London and New York with Barclays Capital. In September 2015, Andrew joined the Board of the Chartered Institute of Securities and Investments as a Non-Executive Director and Trustee.

Stephen Ford, FCSI, CAIA

Head of Wealth and Investment Management

Stephen Ford is Head of Wealth and Investment Management. He joined Brewin Dolphin in March 2000, was appointed as a director of the operating company, Brewin Dolphin Limited, in 2009 and joined the PLC Board in March 2013. Stephen is also a Non-Executive of Tilman Brewin Dolphin. Before Brewin Dolphin he led the financial services division at the Cumberland Building Society and prior to that he held various management roles at the Bradford & Bingley Building Society. Before moving into financial services, Stephen's early management career was in food retail with J. Sainsbury PLC. Stephen holds the Chartered Wealth Manager and Chartered Alternative Investment Analyst designation.

Angela Knight, CBE

Senior Independent Director

a n rk

Angela Knight was appointed as a Non-Executive Director in July 2007, and as Senior Independent Director in February 2014. She worked in the engineering industry for many years before becoming Councillor and Chief Whip on Sheffield City Council from 1987 to 1992. She entered Parliament in 1992 as MP for Erewash and was Economic Secretary to the HM Treasury between 1995 and 1997. She was Chief Executive of The Association of Private Client Investment Managers and Stockbrokers from September 1997 to December 2006 and Chief Executive of the British Bankers Association from April 2007 to July 2012. She was Chief Executive of Energy UK until December 2015 and is currently a Non-Executive Director on the board of Tullett Prebon PLC and a Non-Executive member of Transport for London.

Ian Dewar, FCA MA (Cantab)

Non-Executive Director

a* r rk

Ian Dewar was appointed as a Non-Executive Director in November 2013. Ian retired from KPMG after a 32-year career where he was a Partner for 19 years. During that time, he performed a wide variety of different roles both within KPMG and as a Non-Executive Trustee in the Charity sector. An accountant by training, his experience has been in Audit, Advisory, Client Relationship and Practice Management roles. The last 27 years have been spent working in the financial services sector. Ian is a Non-Executive Director of Manchester Building Society and Arbuthnot Banking Group PLC.

Paul Wilson, MBA

Non-Executive Director

n r* rk

Paul Wilson was appointed as a Non-Executive Director in December 2013. Paul has over 25 years' experience of the financial services industry and was, until February 2014, an Advisory Partner at Bain & Company responsible for their financial services practice. Paul is a Non-Executive Director and Chair of the Board Risk and Reserving Committee of XL Catlin UK Businesses, CEO of the World Platinum Investment Council and an Independent Director at Unigestion Holding SA. Paul is International Chairman of Action Against Hunger, a global charity addressing the problems of acute malnutrition in children, in 35 countries worldwide. His MBA is from Harvard Business School.

Kath Cates

Non-Executive Director

a rk*

Kath Cates was appointed as a Non-Executive Director on 18 December 2014 and became Chair of the Board Risk Committee on 1 September 2015. Kath is a qualified lawyer and has over 25 years' experience in international financial services, latterly as the Chief Operating Officer of Wholesale Banking for Standard Chartered Bank, and is currently a Non-Executive Director and Chair of the Risk Committee for RSA Insurance Group plc.

Caroline Taylor,

Non-Executive Director

a n r

Caroline Taylor was appointed as a Non-Executive Director in May 2014. Caroline has over 25 years' experience in the financial services sector with a strong background in investment management and in-depth knowledge of all aspects of investment management operations, compliance and legal issues. Caroline was a Director of Goldman Sachs Asset Management International from 2005 to 2012 and is currently a Non-Executive Director of Ecclesiastical Insurance Office PLC.

Key

a Member of the Audit Committee
n Member of the Nomination Committee
r Member of the Remuneration Committee
rk Member of the Board Risk Committee
* Denotes Committee Chairman

CORPORATE GOVERNANCE REPORT

The role of the Board

The Group is led and controlled by the Board, which is collectively responsible for the long-term success of the Group. The roles of the Chairman, the Chief Executive, the Senior Independent Director and the Non-Executive Directors have been clearly defined in writing and agreed by the Board to ensure that a clear balance of power and authority is present. In addition to their general directors' duties, these roles have the following specific responsibilities:

Chairman – Simon Miller

- Providing leadership to the Board, setting its agenda, style and tone to promote open, constructive debate and effective decision making.
- Ensuring good information flows from the Executive to the Board, and from the Board to its key stakeholders.
- Supporting and advising the Chief Executive, in particular in the development of strategy.
- Promoting effective and constructive relationships between Non-Executive Directors, Executive Directors and Senior Management.
- Ensuring that the performance of the Board is formally reviewed and that actions taken to address any issues arising are addressed.
- Chair the Nomination Committee and build an effective and complementary Board, regularly considering its composition and balance, diversity and succession planning.
- Ensure that Non-Executive Directors' induction and training programmes are implemented and are effective.

Chief Executive – David Nicol

- Providing leadership to the Group and ensure that the Executive Committee is effective in discharging its delegated authority from the Board.
- Ensure that good relations are maintained with key stakeholders.
- Develop strategy proposals for recommendation to the Board and be accountable for the performance of the business.
- Maintain a dialogue with the Chairman on all important matters and strategic issues facing the Group.
- Ensure that there is an effective framework of internal controls including risk management in relation to all business activities.
- Oversee the financial activities of the Group and the development of an annual budget and medium term plan.
- Ensure that human resourcing is managed so that the Group has the capabilities and resources required to achieve its plans and that robust management succession and development plans are in place.

Senior Independent Director – Angela Knight

- Act as a point of contact for shareholders and other stakeholders to discuss matters of concern not appropriate to address through the normal channels of communication with the Chairman or Chief Executive.
- Act as a sounding board for the Chairman and serve as an intermediary for the other Directors if required.
- Meet with the Non-Executive Directors (without the Chairman present) at least annually and lead the Board in the ongoing monitoring and annual performance evaluation of the Chairman.
- Be available to meet with a range of major shareholders to develop a balanced understanding of their issues and concerns and report the outcome of such meetings to the Board.

Non-Executive Directors

- Constructively challenge management and decisions taken at Board level.
- Constructively challenge and help develop proposals on strategy.
- Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of their performance.
- Uphold high standards of integrity and probity, and support the Chairman and Executive Directors in instilling the appropriate culture, values and behaviours in the boardroom and across the Group.
- Insist on receiving high-quality information sufficiently in advance of Board meetings and challenge the adequacy and quality of such information.

Board meetings and activity during the year

Board agendas are set by the Chairman, following consultation with the Chief Executive and the Company Secretary. An annual programme of items for discussion is kept under review by the Company Secretary to ensure that all matters reserved to the Board and other key issues are considered at the appropriate time.

The Board's scheduled forward programme includes the following items, some of which are considered at each meeting, and others which are reviewed periodically throughout the year:

- Strategy and long-term objectives
- Annual budget and medium term plan
- Annual Report and financial results
- Dividend policy and declaration of dividends
- Treasury and tax policy
- Performance against plans
- Reports from Board Committees
- Chief Executive's Statement
- Head of Wealth and Investment Management's Report
- Chief Operating Officer's Report
- Client outcomes report
- ICAAP
- Investor relations
- Governance
- Board evaluation
- Project updates
- HR policy and updates
- Principal risks and Risk Appetite Statements
- Internal control and risk management

There are also a number of informal meetings of the Board, which enable the Directors to spend additional time together to discuss issues more broadly. The Board meets for an annual full day strategy meeting which gives time to debate strategic issues more widely and to receive presentations from different parts of the business.

The Chairman and Non-Executive Directors meet periodically without Executive Directors present and, at least annually, the Senior Independent Director meets with Non-Executive Directors without the Chairman present to appraise the Chairman's performance.

The Board has a schedule of formally reserved powers and this is reviewed each year, along with the terms of reference for its Committees, to ensure that decisions are being taken effectively by the appropriate governance forum.

Board Committees

Certain Board responsibilities are delegated to formal Board Committees which play an important governance role through the work they carry out. Reports on their activities can be found on the following pages and their terms of reference are available on the Brewin website. The Committee Chairmen report formally on Committee activities at the subsequent Board meeting.

Brewin Dolphin Holdings PLC Board					
	Audit Committee	**Board Risk Committee**	**Remuneration Committee**	**Nomination Committee**	**Executive Committee**
Chairman	**Ian Dewar**	**Kath Cates**	**Paul Wilson**	**Simon Miller**	**David Nicol**
Composition	At least three Directors. Only independent Directors can be members	At least three Directors. Only independent Directors can be members	At least three independent Directors. The Board Chairman may also be a member	At least three Directors. Only independent Directors can be members	Chief Executive, Finance Director, Head of Wealth and Investment Management, Group Risk and Compliance Director, Chief Operating Officer and the Group Human Resources Director
Meets	At least four times annually	At least four times annually	At least three times annually	At least twice annually	At least twelve times annually
Role	• Reviews the Group's financial reporting and recommends to the Board that the Report and Accounts should be approved • Reviews internal financial controls • Assesses the independence and effectiveness of the internal and external auditor	• Oversees the Risk Management Framework of the Group • Assists the Board in discharging its responsibilities for the integrity of the Group's internal control and risk management systems	• Sets the remuneration policy for the Group • Sets the individual remuneration of the Executive Directors and other staff designated as Code staff under the FCA's Remuneration Code	• Reviews the composition of the Board and its Committees • Ensures that appropriate procedures are in place for the nomination, selection, training and evaluation of Directors • Ensures that there is an effective framework for succession planning	• Manages the day-to-day running of the Group, including the development and implementation of strategy, monitoring of operating and financial performance and the prioritisation and allocation of resources

The Group has established a Corporate Responsibility Committee which is chaired by Caroline Taylor, a Non-Executive Director. More details of the Group's Corporate Responsibility strategy are set out on pages 34 to 39.

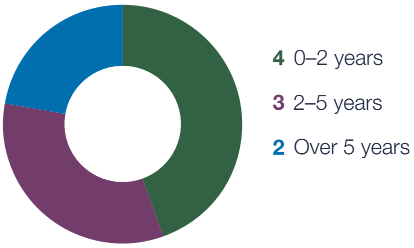
CORPORATE GOVERNANCE REPORT CONTINUED

Board composition

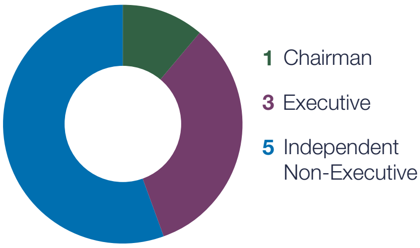
At the year end the Board comprised the Chairman, three Executive Directors and five Non-Executive Directors. The names of the Directors serving at the end of the year and their biographies are set out on pages 46 to 47.

Kath Cates was appointed as a Non-Executive Director on 18 December 2014. Sir Stephen Lamport and Michael Williams both retired at the AGM on 20 February 2015.

Length of tenure of Directors at 30 September 2015



Balance of Executive and Non-Executive Directors at 30 September 2015



Balance of male and female Directors at 30 September 2015

Independence

The Chairman satisfied the independence criteria of the Code on his appointment as Chairman in March 2013 and all of the Non-Executive Directors are considered by the Board to be independent in accordance with provision B.1.1 of the Code, and have been so throughout the year. The Non-Executive Directors provide a strong, independent element on the Board and are well placed to constructively challenge and scrutinise the performance of management. They bring robust opinions, knowledge and skill to Board discussions.

Angela Knight will reach the ninth anniversary of her appointment in July 2016. The Board has concluded that it is in shareholders' interests for her to remain on the Board. The Board is convinced that Angela continues to make a valuable contribution to the Board and that her experience provides balance to the more recently appointed members of the Board.

Board evaluation

A formal evaluation of the Board and its Committees is carried out on an annual basis and at least every three years is facilitated by an independent third party. The last external evaluation was conducted in 2014 by Trust Associates Limited, who had no other links to the Group.

For the 2015 Board evaluation, the Chairman held individual meetings with each Director to obtain their views on how well the Board was operating and to identify areas where improvements can be made. The result of these discussions was considered by the Board and actions to address improvement areas will be developed. These include the growth of the business in the context of the Group's strategic objectives, the scope of internal audit, and the connection between the Board Risk and Remuneration Committees.

Overall, the evaluation process confirmed that the Board was operating effectively within a culture that allowed open and challenging debate and that all Directors individually made valuable contributions and demonstrated commitment to the role.

Appointment of Directors

The Company's Articles of Association, the Companies Act 2006 and other applicable regulations and policies govern the appointment of the Directors. The Directors' service agreements or letters of appointment (as applicable) are available for viewing via the Company Secretary. Directors may be elected by shareholders in a general meeting or appointed by the Board of Directors in accordance with the provisions of the Articles of Association. In accordance with the Code, all Directors will be subject to annual re-election at the Annual General Meeting. The Nomination Committee is responsible for managing the search process for new Directors and recommends to the Board the appointment of new Directors. Further details of this process are set out in the Nomination Committee Report on page 62.

Development

All new Directors participate in a full induction programme, taking into account any previous experience they may already have as Directors of a public limited company or otherwise. The induction programme for new Directors will typically include meetings with the Executive Directors and members of the senior management team covering the Board, the business, finance, risk and compliance, operations and key change programmes as well as branch visits.

Training sessions are undertaken for the entire Board and individually as appropriate. The whole Board training programme for the year included briefings on the Directors' duties in a regulated entity and changes which had developed in the last year, FCA enforcement actions and obligations under the Model Code as well as updates on the senior managers' regime, risk management and internal control and detailed briefings from the business.

Directors' conflicts of interest

The Board has a policy and effective procedures for managing and, where appropriate, approving conflicts or potential conflicts of interest. It is a recurring agenda item at all Board meetings and gives each Director the opportunity to raise any conflict of interest they may have, or to update the Board on any change to a previous conflict of interest already lodged. A Register of Conflicts is held by the Company Secretary and a log of all conflicts raised is maintained and updated accordingly. All Directors are aware that it is their responsibility to raise and update any conflicts of interest they may have. Whenever a Director takes on additional external responsibilities, the Chairman considers any potential conflicts that may arise, and whether the Director continues to have sufficient time to fulfil their duties as a Director. If a potential conflict exists, the Board is empowered to authorise potential conflicts and agree what measures, if any, are required to mitigate or manage the conflict of interest.

Internal control and risk management

The Board recognises that its risk management strategy is essential for achieving good business governance to protect stakeholders and enhance shareholder value. The Board has adopted a risk-based approach to establish a system of internal control. It reviews its effectiveness periodically, by receiving ongoing reports on internal control from the Audit Committee and the Board Risk Committee. The Board debates the key risks for the Group, following more detailed work by the Board Risk Committee, and sets the Group's Risk Appetite Statements.

An explanation of the Group's risk framework is given in the Principal Risks and Uncertainties disclosure on page 30.

The Directors are responsible for the system of internal control established by the Group, reviewing its effectiveness and reporting to the shareholders that they have done so.

They report as follows:

(i) There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group as explained the Principal Risks and Uncertainties section on pages 30 to 33 and the report from the Board Risk Committee on pages 53 to 55. This has been in place for the period under review and up to the date of approval of the Annual Report and Accounts. It is reviewed by the Board and accords with the revised Turnbull guidance in the Code. Any system of internal control is designed to highlight and manage rather than to eliminate the risk of failure to achieve business objectives, and can provide only reasonable, and not absolute, assurance against material misstatement or loss. The Board has implemented the 'Three Lines of Defence' model to ensure a robust and effective framework to manage internal controls and risks across the organisation.

(ii) The Directors have reviewed the Group's system of internal controls and compliance monitoring and believe that these provide assurance that problems have been identified on a timely basis and dealt with appropriately throughout the period under review and up to the date of approval of the Annual Report and Accounts. Both the Audit Committee and the Board Risk Committee assist the Board in discharging its review responsibilities.

(iii) There is a whistleblowing policy detailing the internal or external procedures through which employees are able to raise any concerns.

Company Secretary

The Company Secretary is responsible for advising the Board on all Corporate Governance matters as well as working with the Chairman to ensure good information flows within the Board and its Committees. All Directors have access to the services of the Company Secretary and may take, if necessary, independent, professional advice at the Company's expense.

CORPORATE GOVERNANCE REPORT CONTINUED

Board and Committee attendance

Attendance at scheduled meetings held during the year is set out below. The Audit and Board Risk Committees held a joint meeting during the year to review the ICAAP.

	Board	Remuneration	Nomination	Audit	Board Risk	Joint Audit and Risk
Non-Executive Chairman						
Simon Miller	9 (10)	5 (5)	2 (2)	n/a	n/a	n/a
Executive Directors						
David Nicol	10 (10)	n/a	2 (2)	n/a	n/a	n/a
Stephen Ford	9 (10)	n/a	n/a	n/a	n/a	n/a
Andrew Westenberger	10 (10)	n/a	n/a	n/a	n/a	n/a
Michael Williams	5 (5)	n/a	n/a	n/a	n/a	n/a
Non-Executive Directors						
Kath Cates	6 (7)	n/a	n/a	4 (4)	2 (2)	n/a
Ian Dewar	10 (10)	5 (5)	n/a	7 (7)	5 (5)	1 (1)
Stephen Lamport	4 (5)	n/a	n/a	n/a	n/a	n/a
Angela Knight	10 (10)	5 (5)	2 (2)	7 (7)	5 (5)	1 (1)
Caroline Taylor	10 (10)	5 (5)	2 (2)	6 (7)	n/a	1 (1)
Paul Wilson	10 (10)	5 (5)	2 (2)	n/a	5 (5)	0 (1)

The maximum number of meetings held during the year that each Director could attend is shown in brackets.

Relationship with shareholders

The Group places a great deal of importance on communication with shareholders and aims to keep shareholders informed through regular communication. The Chairman, Chief Executive and Finance Director meet regularly with the Group's institutional investors, analysts and financial press. Annual and interim reports are distributed to other parties who may have an interest in the Group's performance and the Group's website is kept up-to-date covering all corporate activity. The Board is provided with regular feedback following meetings with shareholders. The Board recognises the importance of ensuring effective communication with all of its shareholders and welcomes all shareholders to its AGM, with the opportunity to ask questions formally at the meeting or informally afterwards.

Statement of compliance with the Code

The Group is subject to the UK Corporate Governance Code ('the Code'), which was issued by the Financial Reporting Council in 2010 and revised in September 2012 and September 2014.

This Corporate Governance Statement, the Directors' Remuneration Report, the Audit Committee Report, the Board Risk Committee Report, the Nomination Committee Report and the Strategic Report explain how the provisions set out in the Code have been applied and detail the Group's compliance with the provisions of the Code for the year. The Directors consider that the Company has been in compliance with the provisions set out in the Code throughout the financial year ended 30 September 2015, except for the following:

- In designing schemes of performance related remuneration, the remuneration of Directors fully complies with the provisions in Section D to the Code, save for Michael Williams, who was an Executive Director until 20 February 2015, which did not fully comply with Section D.1.1 and Schedule A of the Code. Michael Williams' variable remuneration is determined by reference to his own team's investment management performance in line with other Investment Managers within the Group. One-third of variable remuneration above £50,000 is compulsorily deferred into shares. The Directors' Remuneration Report on pages 64 to 79 provides details of the Remuneration Policy and implementation of that policy for all Directors.

Louise Meads
Company Secretary

1 December 2015

BOARD RISK COMMITTEE REPORT

"Identification of the key risks faced by a company and the management and control of those risks is a critical activity, particularly for a company operating in the financial services industry."

Kath Cates
Chairman of the Board Risk Committee

Board Risk Committee Chairman's overview

Kath Cates succeeded Angela Knight as Chairman of the Committee on 1 September 2015.

The identification, control, mitigation and reporting of risks is a fundamental aspect of operating in the financial sector. Good practice requires a sound understanding of the Group's risks, our appetite for risk taking and mitigations to limit downsides. This will continue to be the underlying focus of the Committee. A risk workshop was held in November 2015 to enable a more strategic review of the Group's key risks and to develop a forward agenda for the Committee for 2016. Areas of particular focus will include working with the Board on strategic and business risks, cyber risk, regulatory change, investment governance and economic environment.

Last year, the Committee focused on the development of a risk framework and much of this year has been spent implementing the changes that flowed from that work. The project to implement the Operational Risk Framework is nearing completion, and a new project to formalise the Conduct Risk Framework is underway. This, combined with continued work on the Investment Governance systems and processes during 2015, has strengthened the way that the Group identifies and manages its key risks. The Committee's role has been to review and challenge this work and recommend outcomes for approval by the Board where appropriate.

Another key area of work undertaken by the Committee has been to oversee the progress of implementing the enhanced Client Advice Process. This project is continuing to improve client service and ensures that clients receive suitable advice.

As well as the regular cycle of agenda items and review of management information, the Committee has reviewed deep dives of key risks to the business throughout the year, providing oversight of the approved risk appetite so that it remains appropriate and that risk tolerance is set to a relevant level. This has resulted in further enhancements to the metrics used to monitor risk profile against the risk appetite.

Kath Cates
Chairman of the
Board Risk Committee

1 December 2015

Angela Knight
Chairman of the
Board Risk Committee

until 1 September 2015

BOARD RISK COMMITTEE REPORT CONTINUED

Role and responsibilities of the Board Risk Committee

The Board Risk Committee is a standing Committee of the Board established to provide oversight of the Risk Management Framework and to assist the Board with its responsibilities for the integrity of the Group's internal control and risk management systems. It does this by:

- Overseeing the Group's Risk Management Infrastructure in relation to all of the material risk areas faced by the firm, including but not limited to: business and strategic risk, operational risk, regulatory risk, financial risks, conduct risk and investment governance.
- Assisting the Board in establishing appropriate levels of risk appetite and tolerance as well as communicating and monitoring risk culture within the organisation.
- Measuring and monitoring the Group's material risk exposures and ensuring appropriate mitigation is in place to manage them.
- Overseeing and supporting the Group Risk and Compliance Director ensuring there is adequate resource and an appropriate level of independence.
- Assisting the Board in managing risks associated with the Group's strategy, in particular being vigilant and alert to changes in the external risk environment.

The Committee receives a report on operational and regulatory issues at every meeting and other key matters arising from the executive Risk Management Committee ('RMC'). The purpose of the RMC, acting on behalf of the Group Executive Committee, is to implement the Risk Management Framework and monitor risk performance of the Group. It assists the Board Risk Committee with analysing the integrity of the Group's internal control environment and risk management systems and ensures that the necessary Group policies are created, the risk management frameworks are developed and understood within the organisation and has a role in considering the consolidated Group capital assessments from a risk perspective.

The Board Risk Committee reports on its proceedings to the Board and on any appropriate matters to the Audit Committee. It identifies issues where it considers action and improvements are needed and makes recommendations on the steps to be taken.

The Committee has reviewed its terms of reference during the year in conjunction with the Audit Committee to ensure that the roles and responsibilities of each are clear and areas of overlap are minimised. Terms of reference are then referred to the Board for approval.

Committee members

The Committee was chaired by Angela Knight until 1 September 2015 and since then has been chaired by Kath Cates, who was appointed as a member of the Committee on 23 March 2015. Angela remains a member of the Committee, along with a further two independent Non-Executive Directors, Ian Dewar and Paul Wilson. Standing attendees include the Chief Executive, Finance Director, Head of Wealth and Investment Management, and the Group Risk and Compliance Director. Representatives from internal and external audit are invited to attend meetings, where appropriate.

Committee activities

The Committee has met five times during the year and attendance at those meetings is shown on page 52 of the Corporate Governance Report. The work of the Committee has followed an agreed annual work plan, which evolved during the year in response to changes in both the external and regulatory environments.

During the year the Committee undertook the following activities:

Group risk framework

Reviewed and challenged key components of the Risk Management Framework which included risk evaluation matrices, risk appetite, risk policies, risk scenarios, stress testing and the ICAAP process. A new Conduct Risk project was launched during the year and the Committee approved the design of the Conduct Risk Framework and monitored the progress of the project against the approved plan.

Investment Governance

Monitored the implementation of the enhanced Client Advice Process and approved the rollout plan for the implementation of a tool to improve the monitoring of client portfolios to provide assurance that client portfolios are being managed in accordance with their investment mandate.

Key Group risks

Reviewed and approved the Risk Appetite Statements and tolerances for all key risks to ensure that they remain relevant and appropriate and that there were no emerging risks that were not currently included.

Regulatory oversight

Maintained oversight of regulatory risks throughout the Group and discussed the specific management actions identified to address or mitigate issues which arose during the year. The Committee receives regular updates on upstream regulatory changes which may impact the Group's business, as well as industry regulatory enforcement notices which identify lessons relevant to the Group.

Reporting

Reviewed regular reports from the Group Risk and Compliance Director covering regulatory engagement in the period, key operational risk findings, compliance monitoring activities, regulatory developments, complaints data, financial crime policy, key activities and progress against plans and resources.

ICAAP

Reviewed, challenged and approved key components of the ICAAP such as the Risk Appetite Statements and the Operational Risk Scenarios as well as stress testing and reverse stress testing the business. During November 2015, the Committee and the Audit Committee held a joint session to review and challenge the ICAAP, after which its approval was recommended to the Board.

Risk Management Framework

The Group's Risk Management Framework describes the environment in which risks are identified, recorded, assigned clear ownership, analysed and measured, controlled, monitored, reported, and governed within risk appetite and tolerances set by the Board. It also includes the ICAAP which, amongst other things, assesses and monitors the amount of capital the Group should hold against its risks. A detailed description of the Group's Risk Management Framework is set out in the Strategic Report on page 31.

Risks and uncertainties

The Group's principal risks are assessed and reviewed by the RMC, subsequently reviewed by the Board Risk Committee and then considered by the Board. The register of principal risks is formally approved by the Board. A description of the Group's principal risks and uncertainties together with the key mitigants and controls is set out in the Strategic Report on pages 32 to 33.

The Group's principal risks are categorised as Business and Strategic Risks, Financial Risks and Operational Risks. The Group has deployed a range of preventative and detective controls which, together with insurance, mitigate its risks.

The Committee keeps these risks under regular review to ensure that the Group manages its risk profile within its appetite and capacity for risk.

Kath Cates
Chairman of the Board Risk Committee

1 December 2015

AUDIT COMMITTEE REPORT

"The Committee must be confident on behalf of the Board and shareholders, that internal controls are effective, ethical practices are reinforced and accounting estimates and judgements are correctly made."

Ian Dewar
Chairman of the Audit Committee

Audit Committee Chairman's overview

The Audit Committee reviews and reports to the Board on the Group's financial reporting, systems of internal control and the independence and effectiveness of the internal and the external auditor. It has a particular focus on the annual and half year financial statements and the areas of significant management judgement used in preparation. In addition to its regular activities the Committee explores in greater depth areas of particular interest and relevance to the Group, by means of a series of 'deep dives'. This year these included client assets, technology and the closure of management actions taken in response to internal audit findings.

One of the Committee's new tasks at the end of the year was to review the Viability Statement and its underlying processes, in order to be able to recommend to the Board that the statement represents robust and realistic forecasting, taking into account the business, industry and macro-economic factors. The Viability Statement has been included in the Strategic Report on page 29.

PricewaterhouseCoopers LLP ('PwC') continued as the internal auditor during 2015. The Committee approves the Annual Internal Audit Plan and reviews regular reports from PwC on their audit findings. There has been a particular focus during the year on ensuring there is a consistent methodology for capturing, tracking and closing actions arising from both the internal and external auditors' findings and those identified internally by management or as part of the Operational Risk Framework.

The Committee is conscious of the Code requirements relating to tender of external audit and plans to conduct a formal external audit tender during the course of the current partner's five year term. The Committee has conducted a formal assessment of the effectiveness of the external auditor and is satisfied that they continue to provide an effective audit.

Ian Dewar
Chairman of the Audit Committee

1 December 2015

Role and responsibilities of the Audit Committee

The Audit Committee is a standing Committee of the Board with the purpose of assisting the Board in meeting its responsibilities for the integrity of the Group's financial reporting including the effectiveness of its system of internal financial control and for monitoring the effectiveness and objectivity of internal and the external auditor. It does this through:

- Monitoring the integrity of the Group's Annual Report and Accounts and any formal announcement relating to the Group's financial performance, and reviewing significant financial reporting judgements contained therein, prior to their recommendation to the Board.
- Reviewing the framework and effectiveness of the Group's system of internal financial controls.
- Making recommendations to the Board on the appointment or reappointment of the external auditor and on the approval of their remuneration and terms of engagement.
- Reviewing and monitoring the external auditor's independence and objectivity, and the effectiveness of the audit process.
- Maintaining and reviewing the policy on the engagement of the external auditor to supply non-audit services, taking into account relevant guidance regarding the provision of non-audit services by the external audit firm.
- Monitoring the work of the Group's Internal Audit function and reviewing its effectiveness.
- Reviewing the Group's procedures for handling allegations from whistleblowers and for detecting fraud.
- Reviewing the adequacy and effectiveness of the Company's anti-money laundering systems and controls.
- Reviewing Group operational risk reports to ensure that risks which could lead to poor or unfair client outcomes are adequately addressed and remediated.

The Committee's full terms of reference are available on the Group's website.

Committee members

The current members of the Committee are the independent Non-Executive Directors Ian Dewar (Chairman), Kath Cates, Angela Knight and Caroline Taylor. Kath Cates was appointed during the year on 23 March 2015. The composition of the Committee is reviewed by the Nomination Committee which makes recommendations for change to the Board as appropriate. Attendance at meetings is set out on page 52.

Ian Dewar is the member of the Committee considered by the Board to have recent and relevant financial experience as he is a Chartered Accountant and was a partner at KPMG until 2012. Other members of the Committee have extensive experience of the financial services sector.

The Group provides an induction programme for new Committee members as appropriate, taking into account their existing experience and ongoing training to enable the Committee members to carry out their duties.

Committee activities

A formal schedule of items that are to be considered at each Committee meeting is maintained to ensure that its work is in line with the requirements of the Code and all areas of its remit are addressed. The items to be reviewed are agreed by the Committee Chairman on behalf of his fellow members. Each member can require reports on additional matters of interest. The Committee reports its findings to the Board, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations on the steps to be taken.

The Chief Executive, Finance Director, Head of Wealth and Investment Management, Group Risk and Compliance Director, and the Internal Audit Partner normally attend Audit Committee meetings. At the Committee's request, other senior management are invited to present reports, as relevant. The external auditor is also invited to attend a number of meetings.

The number of meetings and attendance for the year are on page 52 of the Corporate Governance Report.

AUDIT COMMITTEE REPORT CONTINUED

The following matters were considered by the Committee at its scheduled meetings:

Financial reporting

- Reviewed the Annual Report and Accounts, Interim Management Statements, the Half-Yearly Report and investor presentations.
- Received a report from the external auditor on the financial statements including the significant audit risks, areas of audit focus and the reasonableness of the significant management judgements used in preparing the accounts.
- Reviewed a letter of recommendation from the external auditor for improving the systems of internal financial control based upon their audit work for the financial year.
- Reviewed the effectiveness of the Group's internal financial controls and disclosures made in the Annual Report and Accounts on this matter.
- Reviewed the Annual Report to ensure that, taken as a whole, it is fair, balanced and understandable and that it provides the necessary information for shareholders to assess performance, the business model and strategy.
- Reviewed the Company's going concern assumption and Viability Statement.

External auditor

- Reviewed, considered and agreed the scope and methodology of the audit work to be undertaken by the external auditor.
- Agreed the terms of engagement and fees to be paid to the external auditor for the audit of the 30 September 2015 Annual Report and Accounts.
- Evaluated the independence and objectivity of the external auditor.
- Reviewed the policy relating to non-audit services and approved non-audit services in accordance with the policy.

Internal audit

- Reviewed and approved the new internal audit plan for the year.
- Reviewed reports from Internal Audit including management responses to the findings of the reports and their proposals.
- Reviewed how issues identified for action, whether arising from Internal Audit reports or from internal control processes, were identified, progressed and reported to ensure that there was an effective framework for the management of issues within the Group.

ICAAP

- During November 2015, reviewed the ICAAP jointly with the Board Risk Committee and after review and challenge of the ICAAP and its key components, recommended its approval to the Board.

Client Assets

- Reviewed a report from the CF10a, the individual responsible for oversight and the operational effectiveness of the systems and controls that are designed to achieve compliance with CASS rules.
- Reviewed the reasonable assurance report on client assets produced by Deloitte, the Group's external auditor.

Control environment

- Received reports relating to operational risk trends, emerging risks and how management have dealt with identified risks.
- Received updates on regulatory engagement.
- Reviewed year end reports providing assurance on the effectiveness and robustness of the Group's system of internal controls.

Technology

- Received a report from the Head of Information Technology on progress with the programme to strengthen the IT Risk Management Framework and address themes arising from internal audit and operational risk reviews.

Money laundering reports

- Reviewed the formal report from the Group's Money Laundering Reporting Officer on the operation and effectiveness of systems and controls relating to anti-money laundering and the prevention of financial crime.

Whistleblowing

- Reviewed the Company's procedures for handling allegations from whistleblowers and approved a revised policy.

Terms of reference

- Reviewed its terms of reference in conjunction with the Board Risk Committee to ensure clarity of their respective roles and responsibilities, and recommended revised terms of reference to the Board for approval.

Policies

- Reviewed and approved policies relating to the Group's internal control framework such as anti-bribery, anti-money laundering and counter terrorism, and market conduct.

Significant issues related to the financial statements

The Committee reviewed the following significant critical judgements and key estimates in connection with the Group Accounts for the year ended 30 September 2015. These issues were addressed with management at various stages during 2014/15 and during the preparation and finalisation of the Accounts. After reviewing the presentations and reports from management, the Committee is satisfied that the Accounts appropriately address the critical judgements and key estimates, both in respect of the amounts reported and the disclosures made. The Committee discussed these issues with the auditor during the audit planning process and during the completion of the year end audit and is satisfied that its conclusions are in line with those drawn by the auditor in relation to these issues.

Issue	Key considerations	Role of the Committee	Conclusion
Treatment and disclosure of the disposal of Stocktrade (see note 4.a.i.)	Appropriate application of accounting standards in relation to the disposal of Stocktrade, specifically: • the determination of the point at which control of the discontinued operation transfers to the acquirer, as set out in the terms of the sale and purchase agreement, and therefore the point at which the consideration for the sale should be recognised; • the identification of onerous contracts, relating to the discontinued operation, their measurement and the point at which they should be recognised; and • appropriate disclosure of the transaction.	The Committee considered management's paper on the accounting treatment of the disposal of Stocktrade and challenged both the judgement and application of the accounting standards.	It was concluded that the application of accounting standards result in: • the non-recognition of the consideration for the disposal of Stocktrade in the Accounts for the year ended 30 September 2015. The consideration will only be recognised when control passes to the acquirer; • the recognition of a provision for onerous contracts in relation to the discontinued operation in the current period, as there are contracts where future economic costs exceed the future economic benefits; and • disclosure as set out in note 13.
Carrying value of goodwill and client relationships (see notes 4.a.ii. and 4.b.i.)	The ongoing appropriateness of the policy concerning the assessment of acquisition expenses relating to client relationships to ensure continuing appropriate recognition as either an operating expense or a capital cost subject to amortisation. Impairment review of goodwill and client relationships, including valuation assumptions used in the calculation of the fair value of the relevant cash-generating units. Determination of the useful economic life of client relationships which establishes the quantum of the amortisation expense.	The Committee satisfied itself on the valuation assumptions used in the calculation of the fair value of the cash-generating units, and considered the paper prepared by management on the average client tenure and useful economic life expectations. It reviewed management's paper on the judgements required for the recognition of expenses in relation to client relationships. It noted that the only additions to client relationships in the period related to revaluations of deferred consideration payments for acquisitions made in prior periods.	It was concluded that the assumptions and judgements used in determining the carrying value of goodwill and client relationships were appropriate and reasonable.
Assumptions underlying the calculation of the retirement benefit obligation (see note 4.b.ii.)	Determination of the actuarial assumptions such as discount rate, life expectancy of members of the scheme and inflation rate used in the calculation of the retirement benefit scheme deficit.	The Committee considered management's paper explaining the assumptions used in the calculation, the resulting impact on the deficit and the movement in the deficit during the period.	It was concluded that the assumptions and judgements used in determining the retirement benefit obligation were appropriate and reasonable.
Likelihood of meeting performance conditions for the Long Term Incentive Plan (see note 4.b.iii.)	Determination of the likelihood of meeting the performance conditions which impact the quantum of the expense in the period.	The Committee considered management's paper on the basis of the assumptions for the likelihood of meeting the performance conditions.	It was concluded that the assumptions used in the calculation of the expense were appropriate and reasonable.

AUDIT COMMITTEE REPORT CONTINUED

Significant issues related to the financial statements (continued)

Issue	Key considerations	Role of the Committee	Conclusion
Assumptions underlying the estimation of provisions (see note 4.b.iv.)	Appropriate application of accounting standards and underlying recognition principles. Determination of the best estimate of the likely cash flows and other assumptions related to each type of provision.	The Committee reviewed management's paper explaining the assumptions and calculation methodologies applied in the determination of provisions, including ensuring that the provisions represent present obligations arising from past events. It also satisfied itself that the procedures performed by management to identify the requirement for provisions were robust and comprehensive. It noted that there had been a refinement of the estimation methodology for the calculation of the leasehold dilapidations provision and satisfied itself that there was appropriate disclosure in the Accounts.	It was concluded that the provisions were appropriate and complete for obligations that existed at the year end and that there had been no new information following the year end that would result in an adjustment to provisions.

External auditor

The Audit Committee is responsible for the development, implementation and monitoring of the Group's policy on external audit. The policy sets out the categories of any pre-approved non-audit services which the external auditor are authorised to undertake and provides an approval process for the provision of any other non-audit services. This policy is available to view on the Investor Relations section of the Group's website, under the Board Committees subsection.

The Board generally only uses the auditor for audit and related activities. If there is a business case to use the external auditor for the provision of non-audit services, prior permission is required from the Committee, which will review the proposal to ensure that it will not impact the auditor's objectivity and independence. The majority of tax advisory and similar work is carried out by another major accountancy firm. An analysis of auditor's remuneration is provided in note 9 to the Annual Report and Accounts.

The Committee assess the effectiveness of the external auditor on an annual basis, taking account of the following factors:

Factor	Assessment
The audit partner	The extent to which the partner demonstrates a strong understanding of the business and industry and the challenges faced by the business, and the length of time acting as the lead engagement partner.
The audit team	The extent to which the audit team understand the business and industry and are properly resourced and experienced.
The audit approach	That the audit approach is discussed with management and targets the significant issues early, is communicated properly, is appropriate for the business and industry and includes an appropriate level of materiality.
The role of management	That information provided by management is timely and correct with proper supporting papers, and that accounting systems and internal controls work effectively.
The communications and formal reporting by the auditor	That management and the Committee are kept appropriately informed as the audit progresses and that the formal report is appropriate and contains all relevant material matters.
The independence and objectivity of the auditor	That the auditor complies with the Financial Reporting Council's ethical standards, has the required degree of objectivity including their arrangements to identify, report and manage any conflicts of interest, and that the overall extent of non-audit services provided by the external auditor does not compromise independence.

Following its review of the effectiveness of the 2014/15 audit, the Committee is satisfied that the external auditor, Deloitte, continues to provide an effective audit and recommended to the Board that reappointment of the auditor be proposed to shareholders at the 2016 AGM. In accordance with UK regulations, the Group's auditor adheres to a rotation policy based on best practice and a new Group lead engagement partner is appointed in place of the previous lead engagement partner once he has completed a term of five years in that role. The lead audit partner was first appointed for the 2013/14 audit.

The Committee has considered the UK Corporate Governance Code provision for companies to put the external audit contract out to tender at least every 10 years and also the Financial Reporting Council's guidance on aligning the timing of such re-tenders with audit engagement partner rotation. It has also noted the transitional arrangements with respect to audit tendering to fit the five-yearly cycle of partner rotation. The Committee's current intention is that it will initiate a re-tendering process before the end of the current audit partner's rotation (2017/2018). This will be kept under review and the Committee will use its regular reviews of auditor effectiveness to assess the most appropriate time for such a re-tender during that period.

The Committee has considered the likelihood of a withdrawal of the external auditor from the market and noted that there are no contractual obligations to restrict the choice of replacement external auditor.

The external auditor meets privately with the Committee at least twice a year without senior executive management being present.

Internal audit

The internal audit function for the financial year ended 30 September 2015 was conducted by PwC, who have provided internal audit services to the Group since January 2014. The Committee conducts a formal assessment of the effectiveness of the Internal Auditor annually.

Fair, balanced and understandable report and accounts

The Committee has performed a review of the report and accounts to ensure that it is fair, balanced and understandable. What is meant by these terms, and the questions that the Committee considers as part of this review, are shown below:

Term	Description	Questions
Fair	• Not exhibiting any bias • Reasonable or impartial • Performed according to the rules	• Is the whole story being presented? • Have any sensitive material areas been omitted?
Balanced	• Even-handed • Taking account of all sides on their merits without prejudice or favouritism	• Is there a good level of consistency between the front and back sections of the Annual Report? • Does the reader get the same message from reading the two sections independently? • Are the key judgements referred to in the narrative reports and the significant issues reported in the Audit Committee Report consistent with the disclosures of key estimates and uncertainties and critical judgements set out in the financial statements?
Understandable	• Having a meaning or nature that can be understood • Able to be accepted as normal	• Is there a clear and cohesive framework for the Annual Report? • Is the report written in accessible language? • Are the messages clearly drawn out?

Ensuring that this standard is met requires continuous assessment of the financial reporting issues affecting the Group on a year round basis, in addition to a focused review as part of the Annual Report and Accounts production process.

Ian Dewar
Chairman of the Audit Committee

1 December 2015

NOMINATION COMMITTEE REPORT

"An effective board is composed of a mix of skills while careful succession planning ensures it remains effective from period to period."

Simon Miller
Chairman

Nomination Committee Chairman's overview

The Committee's key objective is to support the Board in fulfilling its responsibilities to ensure there is a formal, rigorous and transparent process for the appointment of new Directors to the Board, and to ensure that effective succession planning processes are in place across the Group.

The Nomination Committee (the 'Committee') has continued to review the composition of the Board during the year and made recommendations to the Board on the appointment of Kath Cates as a new Non-Executive Director to refresh the Board. The Committee also reviewed the composition of the Board Committees and made recommendations to the Board for changes which utilised the experience of the newly appointed Director.

In addition to the focus on Board and Committee composition, the Nomination Committee has reviewed the succession plans at both Board and senior management level.

Role and responsibilities

The Committee is responsible for reviewing the composition of the Board and Board Committees to ensure they are properly constituted and balanced in terms of skills, experience and diversity. It does this through a formal assessment of each Director's skills and experience to identify any skills gaps that need to be addressed and to assist with Board succession planning.

In addition to this, the Committee manages the search process for new Directors, recommends to the Board the appointment of new Directors and considers succession plans for the Board and other senior roles.

Committee members

The Committee comprises Simon Miller (Chairman), Angela Knight, Caroline Taylor and Paul Wilson. David Nicol was a member until 3 November 2015. Attendance at meetings during the year is set out on page 52.

Committee activities

The Committee identified the need to add an additional Non-Executive Director to the Board, to improve the Executive/Non-Executive balance and to refresh the Chairmanship of the Board Risk Committee. Having previously used external search consultants Egon Zehnder to assist with the drawing up of role specifications and the identification of suitable candidates for the appointment of Paul Wilson and Ian Dewar, the Committee felt able to identify a suitable candidate for the role through its existing contact base. Accordingly, Kath Cates was identified, interviewed, referenced and appointed.

The Committee discusses succession on a continuing basis. It examines the requirements for Executive and Non-Executive Director roles and is kept informed of the work which is carried out on other senior roles within the Group. It considers the consequences of both short and long-term change within the Board and has plans to deal with both such eventualities.

The Committee formally considered the continuing appointment of Angela Knight, the Senior Independent Director, who was appointed in July 2007, including considering whether there was any evidence that her independence has been impaired by the length of her service on the Board. It was concluded that it is in shareholders' interests for Angela to remain on the Board and that there is no evidence that her independence has been impaired. Angela continues to make a valuable contribution to the Board and her experience provides balance to the more recently appointed members of the Board.

The composition of the Committee was reviewed and David Nicol ceased to be a member on 3 November 2015, in accordance with the FCA's SYSC handbook which requires the Committee to comprise exclusively of Non-Executive Directors. David Nicol will be a standing attendee at the Committee's meetings.

Diversity

The Board believes that appointments should be based on merit, compared against objective criteria, with the ultimate aim of ensuring the Board has the right skills, knowledge and experience to discharge its responsibilities properly. Consideration of the benefits of diversity on the Board in all its aspects, including gender, is an important part of this process but not the sole reason. The Board has 33% of women members which is in excess of the 25% aim reported last year. One in six of the Executive Committee are female. Further information on diversity within the Group can be found in the Corporate Responsibility section on page 35.

Simon Miller
Chairman of the Nomination Committee

1 December 2015

DIRECTORS' REMUNERATION REPORT

"Remuneration policies and practices must drive behaviour that is in the long-term interests of clients and shareholders, and support the corporate strategy."

Paul Wilson
Chairman of the Remuneration Committee

Remuneration Committee Chairman's overview

As always, the Committee has focused on executive remuneration to ensure that the levels of fixed remuneration are appropriate, and that variable remuneration is designed to incentivise action aligned to strategic goals in a way that promotes effective risk management. Shareholders approved the Remuneration Policy as set out in the 2013 Annual Report at the 2014 Annual General Meeting, and this policy will apply until replaced by a new or amended policy. The policy continues to remain appropriate and should therefore continue to operate for 2015/16. Key features include:

– A clear link to business strategy through performance metrics in both short and long-term incentive plans. Both the bonus and the Long Term Incentive Plan ('LTIP') targets are disclosed.
– A significant proportion of the annual bonus is subject to compulsory deferral for three years.
– The LTIP is delivered in shares, and there is a post-vesting holding period of two years during which shares cannot be sold.
– Executives are required to build and retain a significant shareholding in the Company.
– Notice periods are six months from the Company.

The Annual Report on Remuneration describes the implementation of the policy during the year and will be subject to an advisory vote at the 2016 AGM.

No changes to the base salaries of Executive Directors have been made at the 1 October 2015 review date. However, the Committee is undertaking a review of the positioning of Executive Director base pay. Base pay has not been increased since the appointment of the current Executives in 2013, which, at that time, had been positioned conservatively. Market benchmarking indicates that current base pay has fallen further below a competitive level and also does not recognise the level of performance delivered by the Executive Directors. In addition, it is important to note that the Executive Directors do not receive any pension contribution from the Company and fringe benefits are limited to life cover only. We are currently undertaking consultations with shareholders regarding our approach to base pay. We shall report fully on the conclusions from this, and actions taken, in next year's Remuneration Report.

In addition to its focus on Executive Directors' remuneration, the Committee has received reports from the Executive on progress against plans to strengthen the alignment of reward and performance throughout the Group. This includes improvements to the performance management process and year end compensation processes for the 2014/15 performance year.

Performance for the annual bonus for the 2014/15 year was at, or close to, target level for the financial metrics despite the negative market performance experienced in the second half of the year. The Executive Directors performed well against their non-financial criteria which included strategic projects, client service, risk management and employees. Accordingly, the Committee awarded bonuses at the 'on target' level of 100% of base salary. This is a 17% reduction from the 2014 bonus award, reflecting the financial challenges faced by the Group during the year. Further details of the Committee's assessment of the Executive Directors' performance and their 2015 bonus awards are included on page 66 of this report. There was no LTIP vesting this year, as the first award matures in 2016.

One of the focuses for next year will be the outcome of the European Banking Authority's consultation on sound remuneration policies, which may have significant implications for the Group's remuneration policy for senior executives. The Committee will engage with key institutional investors and shareholder representative bodies in advance of any significant changes to the Directors' Remuneration Policy.

Paul Wilson
Chairman of the Remuneration Committee

1 December 2015

Annual Report on Remuneration – subject to advisory vote by shareholders at the 2016 AGM

This part of the report has been prepared in accordance with Part 3 of the revised Schedule 8 set out in The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, and 9.8.6R of the Listing Rules. The Annual Report on Remuneration will be put to an advisory shareholder vote at the 2017 AGM. The information on pages 65 to 71 has been audited.

Remuneration for the FY 2015

Figure 1 below sets out the remuneration received by the Directors in relation to performance in the year to 30 September 2015 and comparison with the prior year.

Figure 1: Directors' emoluments

£'000		Salary and fees	Benefits[1]	Pension[2]	Annual bonus[3]	Long-term Incentive[4]	Compensation for loss of office[5]	Other[6]	Total
Executive Directors									
Stephen Ford	2015	300	3	–	300	n/a	n/a	11	614
	2014	300	3	–	360	n/a	n/a	20	683
David Nicol	2015	350	–	–	350	n/a	n/a	n/a	700
	2014	350	–	–	420	n/a	n/a	n/a	770
Andrew Westenberger	2015	300	3	–	300	n/a	n/a	n/a	603
	2014	300	2	–	360	n/a	n/a	n/a	662
Michael Williams (a)	2015	63	1	–	74	n/a	n/a	–	138
	2014	155	1	5	329	n/a	n/a	5	495
Non-Executive Chairman									
Simon Miller	2015	160	–	–	–	n/a	n/a	n/a	160
	2014	149	–	–	–	n/a	n/a	n/a	149
Non-Executive Directors									
Kath Cates (b)	2015	39	–	–	–	n/a	n/a	n/a	39
	2014	–	–	–	–	n/a	n/a	n/a	–
Ian Dewar (c)	2015	60	–	–	–	n/a	n/a	n/a	60
	2014	39	–	–	–	n/a	n/a	n/a	39
Angela Knight	2015	72	–	–	–	n/a	n/a	n/a	72
	2014	51	–	–	–	n/a	n/a	n/a	51
Stephen Lamport (a)	2015	20	–	–	–	n/a	n/a	n/a	20
	2014	44	–	–	–	n/a	n/a	n/a	44
Caroline Taylor (c)	2015	50	–	–	–	n/a	n/a	n/a	50
	2014	15	–	–	–	n/a	n/a	n/a	15
Paul Wilson (c)	2015	60	–	–	–	n/a	n/a	n/a	60
	2014	36	–	–	–	n/a	n/a	n/a	36
Previous Directors									
Jock Worsely	2014	23	–	–	–	n/a	n/a	n/a	23
Total	2015	1,474	7	–	1,024	n/a	n/a	11	2,516
Total	2014	1,462	6	5	1,469	n/a	n/a	25	2,967

Note 1: Executives can elect to use part of their total fixed remuneration to fund benefits including Permanent Health Insurance and Private Medical Insurance and these amounts are disclosed as part of the 'salary and fees' figure. Benefits relate to death in service insurance.

Note 2: Executives can elect to sacrifice fixed remuneration into the Group defined contribution pension scheme. No Director received an employer's contribution during the year.

Note 3: This relates to the payment of the annual bonus for the year ending 30 September 2015. Annual bonus is subject to a mandatory deferral policy as set out on page 76. Directors can elect to sacrifice part of their annual bonus into the Company defined contribution pension scheme but there are no matching employer contributions for any such sacrificed amount. Stephen Ford was the only Director to do this during the year (£40,000).

Note 4: There are no long-term incentives vesting to Executive Directors during the relevant period. Awards granted under the Deferred Profit Share Plan are included in the bonus amount disclosed in the year awarded.

Note 5: The were no payments made to Directors who resigned in the year except that Michael Williams continues as an employee since his resignation from the Board on 20 February 2015.

Note 6: Relates to dividend equivalent payments made under the Deferred Profit Share Plan.

Note a: Resigned on 20 February 2015.

Note b: Appointed 14 December 2014.

Note c: 2014 comparator figures reflect that each Director served less that the full year to 28 September 2014. Ian Dewar was appointed on 15 November 2013, Paul Wilson was appointed on 9 December 2013 and Caroline Taylor was appointed on 21 May 2014.

DIRECTORS' REMUNERATION REPORT CONTINUED

Annual bonus for the year ended 30 September 2015

Annual bonuses for the Chief Executive, Finance Director, and Head of Wealth and Investment Management are determined by the Committee based on an assessment of performance relative to criteria which are selected to achieve a direct relationship between progress towards the Group's strategic goals and the bonuses that are awarded. Michael Williams was a Director until his resignation from the Board on 20 February 2015 and his bonus award, as an Investment Manager, is primarily assessed in relation to the profitability of his Investment Management team.

Figure 2.1 below shows the performance criteria that were set by the Committee, their weightings and the Committee's assessment of performance for the year.

Figure 2.1: Key performance indicators for 2015 bonus award

Key performance indicators	Weighting	Threshold 25% of Total Fixed Pay	On-target 100% of Total Fixed Pay	Maximum 150% of Total Fixed Pay	Actual for year ending 30 September 2015	% of on-target bonus awarded for this criteria	Comment
Profit before tax[1]	30%	£60.0m	£64.0m[2]	£67.8m	£64.0m	100%	Targets set in relation to prior year performance and budget
Operating Margin[1]	30%	21%	22%	23%	21.9%	93%	Targets set in relation to prior year performance and budget
Non-financial performance indicators	40%	n/a	n/a	n/a	See below	107%	See below
Overall outcome – % of fixed remuneration						100%	
Overall outcome – % of maximum bonus						67%	

1 Adjusted for exceptional items.

2 The reported adjusted profit before tax for the 2015 financial year is £62.2 million. This excludes £1.3 million of profit relating to Stocktrade which has been classified as discontinued operations. For the purposes of comparing achievement with the original PBT target set for Executive Directors in 2014, this £1.3 million has been added back to adjusted PBT. Additionally, a notional Euroclear plc dividend of £450,000 has been added back as the forecast used to set the PBT target for the year assumed Euroclear plc dividends which were not received due to the sale of the investment during the year, the proceeds from which have already been excluded. These two adjustments give an adjusted profit before tax for the year of £64.0 million which ensures that results and targets are compared on a like-for-like basis, and that the performance outcome is not disadvantaged by the sale of those businesses, which is in alignment with the strategic objective of focusing on the core discretionary business.

Figure 2.1a: Non-financial performance indicators

Criteria (equally weighted)	Commentary on performance	% of on-target bonus awarded for this criteria
Strategic Projects	Significant progress has been made with reviewing operational processes and delivering efficiency measures as evidenced by the 'improved efficiency' KPIs on page 21. A technology strategy has been agreed and is being implemented. The goal of divesting Stocktrade as part of the strategic focus on the core business of discretionary management was achieved in the year with completion due in 2016. Net organic growth targets of 5% were achieved despite the distraction of continued business reorganisation. A detailed explanation of FUM growth is included in the Results section on page 25.	100%
Client Service	The quality and consistency of client outcomes continues to be high, evidenced by the levels of satisfaction indicated by clients in response to our client survey and the high response rate we received.	125%
Risk Management & Compliance	The project to implement a revised Operational Risk Framework is nearing completion and a new project to formalise the Conduct Risk Framework is underway. This, combined with continued work on the Investment Governance framework, has strengthened the way that the Group identifies and manages its key risks. The new client advice process has reduced risk to client outcomes.	93%

Criteria (equally weighted)	Commentary on performance	% of on-target bonus awarded for this criteria
Employees	Directors instigated a three-year plan to review all aspects of Culture and Engagement, Learning and Development, Performance and Reward, and Talent. This has resulted in initiatives to improve recruitment and retention of the best talent (attrition rates are within accepted risk parameters; employee engagement is above the financial services average at 76%), and the performance management process has been relaunched and supported by training.	108%
Overall outcome (straight average)		107%

Figure 2.2: 2015 Executive Directors' bonus awards

Based on this assessment of performance, the Committee has awarded the following annual bonuses to Executive Directors, with the split between cash and deferred shares as indicated in the table below:

Name	Role	Cash	Deferred Shares[1]	Total	% of fixed pay
David Nicol	Chief Executive	£250,000	£100,000	£350,000	100%
Andrew Westenberger	Finance Director	£216,667	£83,333	£300,000	100%
Stephen Ford	Head of Wealth and Investment Management	£216,667	£83,333	£300,000	100%
Michael Williams[2]	Investment Manager	£66,122	£8,061	£74,183	118%

1 See Figure 2.3.

2 Bonus is shown pro-rata for the period of the performance year Michael Williams was a Director (29 September 2014 to 20 February 2015).

With the exception of Michael Williams, the maximum annual bonus for each individual Executive Director is 150% of total fixed pay.

Annual bonus awards are delivered part in cash and part in deferred shares that vest after three years. Figure 2.3 shows how the split is calculated:

Figure 2.3: 2015 Executive Directors' deferral rates for 2015 bonus award

Portion of variable pay	Fraction deferred
Up to £50,000	None
Between £50,000 and 1 x fixed remuneration	One-third
Above 1 x fixed remuneration	Two-thirds

In Michael Williams' case, as he is an Investment Manager with significantly lower base pay, the first £50,000 is in cash, and the balance above £50,000 is two-thirds cash/one-third shares.

The Committee has the discretion to adjust the final outcome upwards or downwards in the event that an exceptional event outside of the Executive Directors' control occurs which, in the Committee's opinion, materially affected the bonus out-turn. There were no such events during 2015.

Both the cash and share element of the bonus is subject to clawback. Please see the Directors' Remuneration Policy table, starting on page 76, for further details.

DIRECTORS' REMUNERATION REPORT CONTINUED

Outstanding share awards

The table below sets out details of Executive Directors' outstanding share awards (which will vest in future years subject to performance and/or continued service).

Figure 3.1: Outstanding share options awards

	Scheme	Grant date	Exercise price	Number of shares at 29 September 2014	Granted during year	Exercised during year	Lapsed during year	**Number of shares at 30 September 2015[1]**	End of performance period	Maturity / vesting date	Expiry date
David Nicol											
	DPSP	05/12/2013	0.00p	29,584	–	–	–	**29,584**	n/a	05/12/2016	05/12/2019
	DPSP	04/12/2014	0.00p	–	50,714	–	–	**50,714**	n/a	04/02/2017	04/02/2020
Total				29,584	50,714	–	–	**80,298**			
Andrew Westenberger											
	DPSP	05/12/2013	0.00p	45,065	–	–	–	**45,065**	n/a	05/12/2016	05/12/2019
	DPSP	04/12/2014	0.00p	–	42,646	–	–	**42,646**	n/a	04/12/2017	04/02/2020
Total				45,065	42,646	–	–	**87,711**			
Stephen Ford											
	SEMP	14/12/2007	162.50p	6,153	–	–	6,153	**–**	30/09/2014	14/12/2011	14/12/2014
	SEMP	24/07/2008	104.00p	24,038	–	–	24,038	**–**	30/09/2014	24/07/2012	24/07/2015
	ASOP	07/12/2009	165.70p	4,000	–	4,000	–	**–**	n/a	07/12/2014	06/12/2019
	DPSP	08/12/2011	0.00p	121,746	–	121,746	–	**–**	n/a	08/12/2014	07/12/2017
	DPSP	06/12/2012	0.00p	108,506		–	–	**108,506**	n/a	06/12/2015	05/12/2018
	DPSP	05/12/2013	0.00p	69,398	–	–	–	**69,398**	n/a	05/12/2016	05/12/2019
	DPSP	04/12/2014	0.00p	–	42,646	–	–	**42,646**	n/a	04/02/2017	04/02/2020
Total				333,841	42,646	125,746	30,191	**220,550**			
Michael Williams											
	DPSP	08/12/2011	0.00p	35,405	–	35,405	–	**–**	n/a	08/12/2014	07/12/2017
	DPSP	06/12/2012	0.00p	27,794	–	–	–	**27,794**	n/a	06/12/2015	05/12/2018
	DPSP	05/12/2013	0.00p	41,559	–	–	–	**41,559**	n/a	05/12/2016	05/12/2019
	DPSP	04/12/2014	0.00p	–	32,119	–	–	**32,119**	n/a	04/12/2017	04/02/2020
Total				104,758	32,119	35,405	–	**101,472**			

The share price at 30 September 2015 was £2.57.

Key

'SEMP' Senior Employee Matching Share Purchase Scheme

'ASOP' Approved Share Option Plan

'DPSP' Deferred Profit Share Plan

[1] Or date of resignation if earlier.

Figure 3.2: Outstanding performance shares awards

	Scheme	Grant date	Number of shares at 29 September 2014	Granted during year	Exercised during year	Lapsed during year	**Number of shares at 30 September 2015**	End of performance period	Vesting date
David Nicol									
	LTIP	26/02/2014	104,916	–	–	–	**104,916**	30/09/2016	26/02/2017
	LTIP	04/12/2014	–	121,023	–	–	**121,023**	30/09/2017	04/12/2017
Total			104,916	121,023	–	–	**225,939**		
Andrew Westenberger									
	LTIP	26/02/2014	89,928	–	–	–	**89,928**	30/09/2016	26/02/2017
	LTIP	04/12/2014	–	103,734	–	–	**103,734**	30/09/2017	04/12/2017
Total			89,928	103,734	–	–	**193,662**		
Stephen Ford									
	LTIP	26/02/2014	89,928	–	–	–	**89,928**	30/09/2016	26/02/2017
	LTIP	04/12/2014	–	103,734	–	–	**103,734**	30/09/2017	04/12/2017
Total			89,928	103,734	–	–	**193,662**		

The share price at 30 September 2015 was £2.57.

Deferred bonus

The Executive Directors receive part of their annual variable pay under the DPSP as a deferred award in Brewin Dolphin Holdings PLC shares, normally in the form of options with a zero exercise price. These options are subject to service conditions and vest in one tranche three years from the date of grant.

Share Incentive Plan ('SIP')

The Group has a Share Incentive Plan. Employees may use funds from their gross salary up to a maximum of 10% of their gross salary in regular monthly payments (being not less than £10 and not greater than £125) to acquire Ordinary Shares in the Company ('Partnership Shares'). Partnership Shares are acquired monthly. For every Partnership Share purchased, the employee receives one matching share up to a total value of £20 per month. All shares to date awarded under this scheme have been purchased in the market on a monthly basis; it is the intention of the Directors to continue this policy in the year to September 2016.

Share schemes under which no awards were made in 2015

2004 Approved Share Option Plan ('ASOP')

Awards under the ASOP have been historically granted to Directors and other employees. These awards have been subject to a condition that the year-on-year growth in annual fee income charged on portfolios shall not be less than 10% p.a. compound or a 33% increase in annual fee income over a three-year period. The performance criteria were set by the Remuneration Committee at the time of grant and selected to recognise that income growth is a key driver of shareholder value.

The options are exercisable from five to 10 years from grant. These options were only granted once an employee had been with the Group for two years. Awards have not been made under the ASOP since 2011. The Board does not intend to issue any options or shares under this scheme in 2016.

2002 Senior Employee Matching Purchase Share Scheme ('SEMP')

Awards have not been made under this scheme since 2009. The SEMP was additional to the above scheme and allowed a further 5% issue of options over a ten-year period, provided that a similar number of shares were subscribed for by senior executives at the price the options are issued. The Board does not intend to issue any options or shares under this scheme in the future.

Dilution

By agreement with shareholders, the aggregate number of shares which may be issued at any date of grant, when aggregated with shares issued or issuable pursuant to options or awards granted in the preceding 10 years under any employee share plan operated by the Group other than the SEMP, shall not exceed 10% of the issued share capital.

The current cumulative dilution level over the ten-year period to 30 September 2015 is 2.45%. This includes 0.20% issued under the SEMP.

DIRECTORS' REMUNERATION REPORT CONTINUED

Directors' shareholding and share interests

To align the interests of the Executive Directors with shareholders, Executive Directors are required to build up a shareholding through the retention of shares vesting under the Group's share plans. The Executive Directors are required to build up a shareholding equivalent to 100% of total base pay over a period of five years, excluding awards that have not yet vested or have vested but not yet been exercised. Andrew Westenberger and David Nicol have not yet met this requirement as they are still within a five-year period following their appointment to the Board in 2013. At the date of his last sale of Brewin Dolphin shares, Stephen Ford's remaining shareholding was in excess of the 100% target. His shareholding as a % of base pay at 30 September 2015 was 98% as a result of share price movements between the sale of shares and the year end share price. The Chairman and Non-Executive Directors are encouraged to hold shares in the Company but are not subject to a formal shareholding guideline. The interests of the Directors and their connected persons in the share capital of the Company are shown in the table below.

Figure 4: Share interests

	As at 30 September 2015						
Director	Beneficially owned at 30 September 2015*	Percentage of shareholding target held	Outstanding Deferred Profit Share Plan awards	Outstanding Long Term Incentive Plan Awards	Locked in matching shares under the Share Incentive Plan	Beneficially owned at 30 November 2015*	Beneficially owned at 29 September 2014**
Kath Cates	2,500	n/a	–	–	–	2,500	–
Ian Dewar	6,358	n/a	–	–	–	6,358	3,296
Stephen Ford	114,039	98%	220,550	193,662	–	114,039	142,611
Angela Knight	4,790	n/a	–	–	–	4,790	2,583
Sir Stephen Lamport	4,950	n/a	–	–	–	4,950	4,950
Simon Miller	65,000	n/a	–	–	–	65,000	60,000
David Nicol	73,000	54%	80,298	225,939	–	73,000	73,000
Caroline Taylor	2,500	n/a	–	–	–	2,500	2,500
Andrew Westenberger	–	0%	87,711	193,662	–	–	–
Michael Williams	965,336	100%	101,472	–	298	965,336	969,989
Paul Wilson	8,596	n/a	–	–	–	8,596	–

* or date of resignation if earlier ** or date of appointment if later

Material contracts with Directors

There were no material contracts between the Group and the Directors. The Directors undertake transactions in stocks and shares in the ordinary course of the Group's business for their own account. The transactions are not material to the Group in the context of its operations. £nil was outstanding in respect of these transactions at 30 September 2015 and 28 September 2014.

Total pension entitlements

Executive Directors may opt to waive part of their aggregate fixed pay amount and receive an equivalent pension contribution instead. They may also receive part of their annual bonus in the form of pension contribution.

Defined Contribution Scheme

Executive Directors may join the Group Defined Contribution Scheme. Andrew Westenberger and David Nicol have not made contributions to the scheme and do not receive any benefit from the Company under the scheme. Stephen Ford has elected to sacrifice a portion of his annual bonus into the scheme.

Defined Benefit Scheme

Entry to the Group Defined Benefit Scheme was withdrawn in 2004 for new staff members. Stephen Ford remains a deferred member of this scheme.

Details of the total pension entitlements at the year end are set out in Figure 5.

Figure 5: Defined Benefit Pension

	Pension rights at the end of the accounting period £'000	Normal retirement age	Description of any additional early retirement benefits that the Director could receive in the event the Director retires early £'000	Pension related benefits from the Scheme in the breakdown of the pension benefits from the 'single total figure of remuneration' table (£) £'000
Stephen Ford	3	65	n/a	0

CPI inflation for the year to September 2015 was 1.2%.

Death-in-service benefits

Executive Directors are eligible for death-in-service benefit cover which is equal to six times their individual fixed remuneration.

Chief Executive's Remuneration

Figure 6 shows the movement in the salary and annual bonus for the Chief Executive between the current and previous financial year compared to that for the average UK employee. Rather than having separate base salary, pension and benefit components, Executive Directors and other senior staff receive a total fixed pay sum which they can receive part as a defined pension contribution and/or benefits such as car benefit, private medical insurance or long-term illness/disability insurance. More junior staff receive a fixed salary plus additional pension contributions. As such, an analysis of the movement in benefits for the Chief Executive and the average employee was not considered to be practical or meaningful and has not been included in Figure 6.

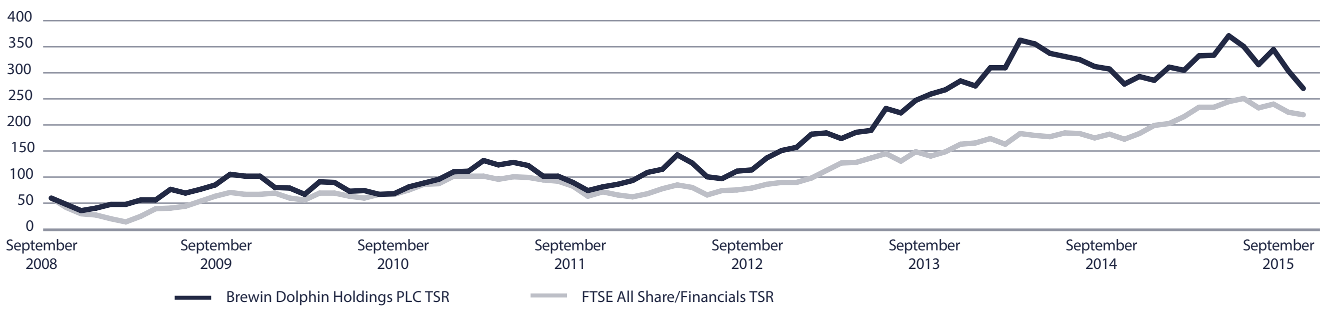
Figure 6: Percentage change in the remuneration of the highest paid Director

	2014	**2015**	change
Chief Executive (£)			
– salary	350,000	**350,000**	0%
– bonus	420,000	**350,000**	-29%
Average per employee (£)			
– salary	44,328	**46,427**	5%
– bonus	27,247	**27,051**	-1%

Performance graph

Figure 7: TSR performance

The chart below shows the Company's Total Shareholder Return ('TSR') performance against the performance of the FTSE All Share Index – Financial Services from 30 September 2008 to 30 September 2015. The FTSE All Share – Financial Services index was chosen as a comparator because it is the index that encompasses most of our key competitors. TSR is calculated assuming dividends are re-invested on receipt.



Remuneration of the Chief Executive

Figure 8 shows the total remuneration figure for the Director undertaking the role of Chief Executive during each of those financial years. The total remuneration figure includes the annual bonus which was awarded based on performance in those years. Where this bonus is subject to deferral, it is shown in the year in which it was awarded. The annual bonus is shown as a percentage of the maximum for 2013 to 2015 – there was no maximum amount for bonus in the preceding years. No long-term incentive awards have vested to the Chief Executive during the period.

DIRECTORS' REMUNERATION REPORT CONTINUED

Figure 8: Total remuneration for Chief Executive

	Year ending September						
	2009	2010	2011	2012	2013	2014	**2015**
Total remuneration (£'000)	589	643	593	557	577	770	**702**
Annual bonus (% max) **	n/a	n/a	n/a	39%	63%	80%	**67%**

** The maximum bonus was reduced from 200% of fixed salary to 150% of fixed salary as part of the changes to the policy for Executive Directors' remuneration approved by shareholders in 2014.

Relative importance of the spend on pay

Figure 9 shows the movement in spend on staff costs versus that in dividends.

Figure 9: Distribution statement

	2015 £'000	2014 £'000	Increase
Staff costs	**143,670**	138,332	4%
Dividends	**32,212**	26,320	22%

Remuneration Committee governance

The Remuneration Committee is governed by formal terms of reference agreed by the Board. The terms of reference were reviewed during the year to ensure they continued to accurately reflect the remit of the Committee. The terms of reference of the Remuneration Committee can be viewed on the Group's website. The members of the Committee are Paul Wilson (Chair), Ian Dewar, Simon Miller and Caroline Taylor. All of these are independent Non-Executive Directors with the exception of the Company Chairman who was independent on his appointment.

The members of the Committee during the last financial year and their attendance at the meetings of the Committee are shown in the Corporate Governance Report on page 52.

None of the Committee members has any personal financial interests (other than as shareholders), conflicts of interest arising from cross Directorships or day-to-day involvement in running the business. The Committee determines the individual remuneration packages of each Executive Director, members of the Executive Committee and any other employees designated as Code staff under the Remuneration Code. The Executive Directors, the Group Human Resources Director and the Group Risk and Compliance Director attend meetings by invitation and assist the Committee in its deliberations, except when issues relating to their own remuneration are discussed. No Directors are involved in deciding their own remuneration. The Committee can call for external reports and assistance, and independent legal advice may be sought by the Committee as required. The Company Secretary or their designate acts as Secretary to the Committee.

The Committee approves the remuneration policy on pay and conditions of employees throughout the Group.

Committee activities

During the period the Committee met five times and undertook the following activities:

- Received regular updates from the Executive on progress against plans to strengthen the alignment of reward and performance throughout the Group.
- Reviewed revised guidance issued by the FCA on the identification of Code Staff in accordance with the FCA's Remuneration Code, approved new criteria for identifying Code Staff and approved the list of Code Staff for the 2015/16 financial year.
- Reviewed the Chairman's fee taking into account external benchmarking data.
- Approved the grant of awards under the Deferred Profit Share Plan, Long Term Incentive Plan and the Equity Award Plan.
- Approved the individual compensation packages of the Executive Directors, members of the Executive Committee and other staff designated as 'Code Staff'. This includes the determination of the Executive Directors' 2015 bonus award.
- Approved the 2015/16 performance criteria for the Executive Directors.
- Approved the Group Remuneration Policy.
- Approved the Remuneration Statement, which documents how the principles of the FCA Remuneration Code have been implemented.
- Approved the Group's Pillar 3 Remuneration disclosures and the disclosures to be included in the Annual Report.
- Approved revised terms of the reference for the Committee to clarify its responsibilities in terms of conduct risk.

External advisers

The Remuneration Committee is advised by New Bridge Street ('NBS'). NBS is a member of the Remuneration Consultants Group and abides by its Code of Conduct which requires its advice to be impartial and objective. The total fees paid to NBS in respect of its services to the Committee during the year were £53,387.

External Directorships

Figure 10 below sets out details of the external directorships held by the Executive Directors and any fees that they received in respect of their services during the year.

Figure 10: External Directorships and remuneration

Director	Name	Position	FY 2015	FY 2014
David Nicol	Hermes Property Unit Trust	Member of appointment Committee	**£27,500**	£27,000

How the policy will be applied in 2016 onwards

(i) Base salary review

The Committee has reviewed the Executive Directors' salaries against market data as base pay had not increased since the appointment of the current Executive Directors in 2013 and had, at that time, been positioned conservatively. This benchmarking exercise has shown that base pay had fallen further below competitive levels, particularly considering that there is no pension provision for Executive Directors, and also did not recognise the delivery of a high level of performance by the Executive Directors since appointment. The Committee is consulting with key institutions and shareholder representative bodies on this issue and will decide whether the Executive Directors' base salaries should be adjusted during the 2016 performance year. The current salaries are shown in Figure 11:

Figure 11: Current salaries for the Executive Directors

	Salary as at 30 September 2015	Salary as at 28 September 2014	Change
David Nicol	**£350,000**	£350,000	–
Stephen Ford	**£300,000**	£300,000	–
Andrew Westenberger	**£300,000**	£300,000	–

(ii) Fees for the Chairman and Non-Executive Directors

As detailed in the Remuneration Policy, the Group's approach to setting the Chairman and the Non-Executive Directors' remuneration is with reference to market levels in comparably sized FTSE companies, levels of responsibility and time commitments. The Chairman and Non-Executive Directors' fees were reviewed in November 2015 and Non-Executive Directors' fees will remain unchanged for 2015/16. With regard to the Chairman, it was concluded that his fee should be increased to £180,000 with effect from 1 January 2016 to reflect significant additional time commitment to the Company. In order to fulfil this additional commitment, the Chairman had reduced his time committed to other appointments.

Figure 12: Current fees of the Chairman and Non-Executive Directors

	30 September 2015	1 October 2014	28 September 2014
Chairman	**£160,000**	£160,000	£160,000
Base fee	**£50,000**	£50,000	£40,000
Senior Independent Director	**£10,000**	£10,000	£4,000
Committee Chairman	**£5,000 – £12,000**	£5,000 – £12,000	£4,000 – £6,000

DIRECTORS' REMUNERATION REPORT CONTINUED

(iii) Performance targets for the 2015/16 annual bonus, and LTIP awards to be granted in 2015 financial year

For the 2016 financial year, the annual bonus will be based on performance against a balanced scorecard comprising four Key Performance Areas: profit before tax (20% weighting); margin (20% weighting), net discretionary FUM inflows (20% weighting) and personal performance/non-financial targets (40%). Profit and margin will be adjusted to exclude the impact of exceptional items.

The LTIP awards granted in the 2016 financial year will be subject to two separate performance conditions, each accounting for one-half of the award. The metrics are aligned to the Group's strategic objectives. The performance conditions are as follows:

Figure 13: Performance targets for the LTIP awards to be granted in 2016 financial year

Performance Metric	Weighting (each measured independently)	Threshold (25% vesting)	Stretch (100% vesting)	Measurement period
Adjusted EPS Compound Annual Growth Rate ('CAGR')	50%	5%[1] from a restated base	13%[2]	measured over the three financial years 15/16, 16/17, and 17/18, using 14/15 as the base year.
Average Annual Discretionary FUM growth ('FUM')[3]	50%	2.5%	7.5%	Measured in 2018/19 financial year

[1] The threshold performance requirement of 5% CAGR is measured from an adjusted EPS level of 16.1p for 2014/15, rather than the reported EPS of 17.1p. This adjustment takes into account the value of FUM at the year end 2014/15, which was lower than the average FUM for the 2014/15 year as a whole. As FUM is an important driver of EPS, using the adjusted figure recognises the actual starting point for growth at the end of 2014/15. The equivalent CAGR from the 2014/15 reported EPS of 17.1p is 3%.

[2] The stretch target of 13% CAGR is in excess of the market consensus of 10% CAGR over the three-year period and will be calculated from the starting point of 17.1p for 2014/15. Market consensus is calculated using the assumption that there will be positive investment performance of 5% per annum.

[3] Average annual net inflows in discretionary FUM expressed as a % of prior year discretionary FUM.

The adjusted profit before tax margin target used in previous years has been replaced for the 2015/16 performance year with a FUM growth target in support of the strategic focus on profitable growth. The annual bonus targets for Executive Directors include margin as one-third of the financial criteria, which ensures that directors remain incentivised to maintain margin improvements. The threshold vesting target requirement for FUM growth of 2.5% is set at 50% of the market consensus (5%) and full vesting is delivered at 150% of market consensus.

There is also a general underpin: the Committee will assess the overall health of the business and whether prudent risk management has been applied and may scale back the vesting level if it considers this to be appropriate having taken account of this general underpin.

Statement of shareholder voting

The Directors' Remuneration Policy and the Annual Report on Remuneration received the following votes from shareholders:

Figure 14: Shareholder voting

	Remuneration Policy (2014 AGM)	%	Annual Report on Remuneration (2015 AGM)	%
Votes cast in favour	168,569,707	96%	190,799,155	99.2%
Votes cast against	6,143,183	4%	1,601,001	0.8%
Total votes cast	174,712,890		192,400,153	
Abstentions	1,914,199		20,290	

Directors' Remuneration Policy – approved by shareholders at the 2014 AGM

This section of the Remuneration Report has been prepared in accordance with Part 4 of The Large and Medium–sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. It sets out the Directors' Remuneration Policy for the Group. The policy has been developed taking into account the principles of the UK Corporate Governance Code, executive remuneration guidelines produced by shareholder organisations, and the remuneration principles of the FCA's Remuneration Code so far as they apply to the Group.

Overview

The Committee has full delegated responsibility for determining individual total remuneration for the Board Chairman, Executive Directors, members of the Executive Committee and any other employees designated as Code Staff under the FCA Remuneration Code, with the exception of the Non-Executive Directors. The Committee's terms of reference are available on the Group's website.

In determining the Directors' Remuneration Policy, the Committee takes into account the following objectives:

- To attract, retain and motivate talented Directors and senior management of the calibre required to manage the business successfully, whilst seeking to avoid paying more than is necessary to meet this objective.
- To motivate and reward good performance.
- To meet relevant regulatory requirements, including the requirements of the FCA Remuneration Code so far as these apply to the Group.

The main principles of the policy are to:

- Ensure that total remuneration is set at a level that is market competitive by benchmarking against relevant external comparators, taking account of size, complexity, and sector, and to ensure that the overall package takes account of market practice.
- Maintain appropriate proportions of fixed and performance-related pay, to help to drive performance over the short and longer term, maintain a flexible cost base, and avoid creating incentives for excessive risk taking.
- Align incentive plans with the business strategy, prudent risk management, and shareholder interests.
- Achieve consistency with the general remuneration philosophy applied to the Group's employees as a whole.

Details of the remuneration components are provided in Figure 15 – the Remuneration Policy table for Executive Directors.

How the views of shareholders are taken into account

The Committee will regularly compare the Group's Directors' Remuneration Policy with shareholder guidelines and take account of the results of shareholder votes on remuneration.

If any material changes to the remuneration policy are contemplated, the Committee Chairman will consult with major shareholders about these in advance.

Details of votes cast for and against the resolution to approve last year's Remuneration Report are provided in the Annual Report on Remuneration section of the Directors' Remuneration Report.

Consideration of employment conditions elsewhere in the Group

The Group applies a consistent remuneration philosophy for employees at all levels and the Committee takes account of the aggregate rate of base salary increase for all employees when determining increases in fixed pay for Directors.

All employees are eligible for performance-related annual bonus and the principle of bonus deferral applies to annual bonuses for employees whose bonuses exceed certain thresholds established by the Committee.

The Group does not operate formal employee consultation on remuneration. However, employees are able to provide direct feedback on the Group's remuneration policies to their managers or the Human Resources department and as part of an annual employee feedback survey. The Committee monitors the effectiveness of the Group's remuneration policies in recruiting, retaining, and motivating employees, and receives reports on how the Group's remuneration policies are viewed by employees and whether they are meeting business needs.

The Committee does not seek to apply fixed ratios between the total remuneration levels of different roles in the Group, as this would prevent it from recruiting and retaining the necessary talent in a highly competitive employment market.

DIRECTORS' REMUNERATION REPORT CONTINUED

Benchmarking

The Committee takes account of market benchmark data when setting total remuneration packages for Executive Directors. Comparisons are made with other FTSE listed companies of similar size and business profile to the Group. Practices in the wealth management sector, and other related sectors, are also considered. Benchmark data is used by the Committee as a reference point, alongside other factors such as the individual's role and experience, and company and personal performance, rather than as a direct determinant of pay levels.

Future policy table

Figure 15 summarises the key aspects of the Group's Remuneration Policy for Executive Directors.

Figure 15: Remuneration policy table for Executive Directors

Element	Purpose and link to short and long-term strategy	Operation, performance measures and periods, deferral and clawback	Maximum opportunity
Total Fixed Pay	Provides a level of fixed remuneration sufficient to recruit and retain necessary talent, and to permit a zero variable pay award should that be appropriate.	Rather than having separate base salary, pension and benefits components, Executive Directors receive a Total Fixed Pay sum, which they can receive all in cash, or may choose to 'sacrifice' part of the cash and instead receive part as a defined pension contribution and/or fringe benefits such as private medical insurance, or long-term illness/disability insurance (known as 'Permanent Health Insurance'). In addition to their Total Fixed Pay, Executive Directors can benefit from life insurance at a level of six times annual salary. Individual levels of Total Fixed Pay are reviewed annually, with any increases normally effective from 1 January, unless there are exceptional reasons for an increase at another time of the year. Any increases are generally targeted at around the general level of salary inflation in the Group, but may vary from this for exceptional reasons such as a change in the individual's role or responsibilities, or a need to bring an individual's remuneration to a market competitive level.	Total Fixed Pay is benchmarked against relevant market levels of aggregate fixed pay (i.e. base salary+pension contribution+benefits, paid in the market), and is targeted to be not more than around median of relevant comparators.
Annual variable pay (Discretionary)	Rewards annual Group and personal performance, and, through the use of deferral into shares, also aligns reward with longer-term performance.	Executive Directors[1] are considered each year for a discretionary annual variable pay award, which takes account of both Group and personal performance. The main weighting is on Group financial performance. Group performance is assessed primarily by reference to a 'balanced scorecard' of Group financial key performance indicators ('KPIs') and targets, which are set each year by the Committee based on the priorities for the year. The KPIs may include, for example, profit before tax and operating profit margin. Non-financial KPIs may also be included in the scorecard, but non-financial performance has a lower weighting than financial performance. For each KPI, there is a threshold, target and 'stretch' (i.e. excellent) performance level; the maximum annual variable pay is paid for stretch performance. In common with all other employees of the Group, a significant proportion of variable pay is compulsorily deferred under the Deferred Profit Share Plan ('DPSP') into Brewin Dolphin Holdings PLC ('BDH') Ordinary Shares or nil-priced options over shares, which vest in one tranche, normally after three years. The deferral policy for Executive Directors is shown in the table below: **Portion of variable pay** — **What fraction is deferred?** Portion up to £50,000 — None Portion between £50,000 and 1 x fixed remuneration — One-third Portion above 1 x fixed remuneration — Two-thirds The Committee may seek to clawback annual variable pay in exceptional situations, such as misstatement of performance, failure of risk management or serious misconduct. [1] Michael Williams was an Executive Director for part of the 2015 performance year but, as an Investment Manager, is remunerated based on the performance of his team. His base pay is set substantially lower than other Executive Directors and his annual bonus is dependent on the profits of his Investment Management team and is not subject to a cap. One-third of the portion of his bonus above £50k is deferred into Brewin Dolphin Holdings PLC shares or nil-cost options over shares which vest in one tranche, normally after three years.	The maximum individual award of annual variable pay is currently 1.5 x times the Total Fixed Pay (except for Michael Williams[1]).

Element	Purpose and link to short and long-term strategy	Operation, performance measures and periods, deferral and clawback	Maximum opportunity
Long Term Incentive Plan ('LTIP') (Discretionary)	Rewards achievement of long-term performance objectives.	Executive Directors will be eligible to be considered each year for a conditional award over BDH shares, which will vest in one tranche, normally no earlier than three years from the date of award. Vesting will be subject to performance conditions and targets set prior to each grant by the Committee. These performance conditions will be related to financial performance (e.g. EPS growth and profit margin percentage) and will be aligned to the business strategy. For each performance metric used, there will be a threshold level of performance at which no more than 25% of the portion of the award relating to that KPI will vest, and a stretch level of performance, at which 100% of the portion of the award relating to that KPI will vest. Executive Directors will be required to hold net of tax vested shares for a period of two years following vesting. The Committee may seek to clawback LTIP in exceptional situations, such as misstatement of performance, failure of risk management or serious misconduct.	The normal maximum annual award under the LTIP rules is up to 100% of Total Fixed Pay (in face value of shares at grant), but may be up to 150% in exceptional circumstances.

Differences in remuneration policy for Executive Directors compared to other employees

The approach to remuneration for the Executive Directors is generally consistent with that for employees across the Group as a whole. However, there are some differences which the Committee believes are necessary to reflect the different responsibilities of employees across the Group, and the need to recruit, retain and motivate employees in a variety of roles. For example, below Executive Director level, the portion of annual variable pay that is deferred is structured differently and is capped at one-third rather than the two-thirds deferral that applies to Executive Directors. Awards of market purchased shares are made to selected individuals from time to time, excluding Executive Directors, which vest subject to continued service, to recognise individuals' value to the Group and to create further alignment with shareholders.

External Non-Executive Director positions

Executive Directors are permitted to serve as Non-Executive Directors of other companies, on the grounds that this can help to broaden the skills and experience of the Director, provided there is no competition with the Group's business activities and where these duties do not interfere with the individual's ability to perform their duties for the Group.

Where an outside appointment is accepted in furtherance of the Group's business, any fees received are remitted to the Group. If the appointment is not connected to the Group's business, the Executive Director is entitled to retain any fees received.

Approach to remuneration for new Executive Director appointments

The remuneration package for a new Executive Director would be set in accordance with the terms and maximum levels of the Group's approved remuneration policy in force at the time of appointment.

The Committee may also offer additional cash and/or share-based elements when it considers these to be in the best interests of the Group and shareholders, for the purpose of replacing awards or potential foreseeable earnings which are forgone by the individual on becoming an Executive Director. This includes the use of awards made under 9.4.2 of the Listing Rules. In considering any such payments the Committee would take account of the amount of remuneration foregone and the nature, vesting dates and any performance requirements attached to the remuneration foregone. Shareholders will be informed of any such payments and the rationale for these.

For an internal appointment, any deferred pay element awarded in respect of the prior role may be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, ongoing remuneration obligations existing prior to appointment may be permitted to continue where this is considered to be in the best interests of the Group and shareholders.

For external and internal appointments, the Group may meet certain relocation expenses as appropriate.

DIRECTORS' REMUNERATION REPORT CONTINUED

Service contracts and loss of office payments

Service contracts normally continue until the Executive Director's agreed retirement date or such other date as the parties agree. The service contracts contain provision for early termination. Notice periods are limited to six months by either party. If the Group terminates the employment of an Executive Director without giving the period of notice required under the contract, the Executive Director would be entitled to claim recompense for up to six months' Total Fixed Pay.

In cases of 'good leavers' the Committee may consider a discretionary award of annual variable pay, subject to performance, in respect of the portion of any financial year that the individual has been working with the Group, although not for the period of any payment in lieu of notice or 'garden leave'.

In the event of a change of control of the Group there is no enhancement to these terms.

In summary, the contractual provisions are as follows:

Figure 16: Contractual provisions

Provision	Detailed terms
Notice period	Six months.
Termination payment in the event of termination by the Company without due notice	Total Fixed Pay in respect of the unexpired period of contractual notice. In certain cases, the Committee may also consider a discretionary award of annual variable pay, subject to performance, in respect of the portion of any financial year that the individual has been working with the Group, although not for the period of any payment in lieu of notice or 'garden leave'.
Change of control	Same terms as above on termination.

Any outstanding share-based entitlements granted to an Executive Director under the Group's LTIP or other share plans will be determined based on the relevant plan rules. The default treatment is that any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, disability, redundancy, retirement or other circumstances at the discretion of the Committee (taking into account the individual's performance and the reasons for their departure), 'good leaver' status can be applied. In such cases, the normal practice, unless there are exceptional circumstances, is for any LTIP awards held to be pro-rated for the period of the performance period that has expired, and the performance conditions would continue to apply. Share awards under the Deferred Profit Share Plan ('DPSP') will vest in full on the original vesting schedule.

An Executive Director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, on the occurrence of certain events such as gross misconduct.

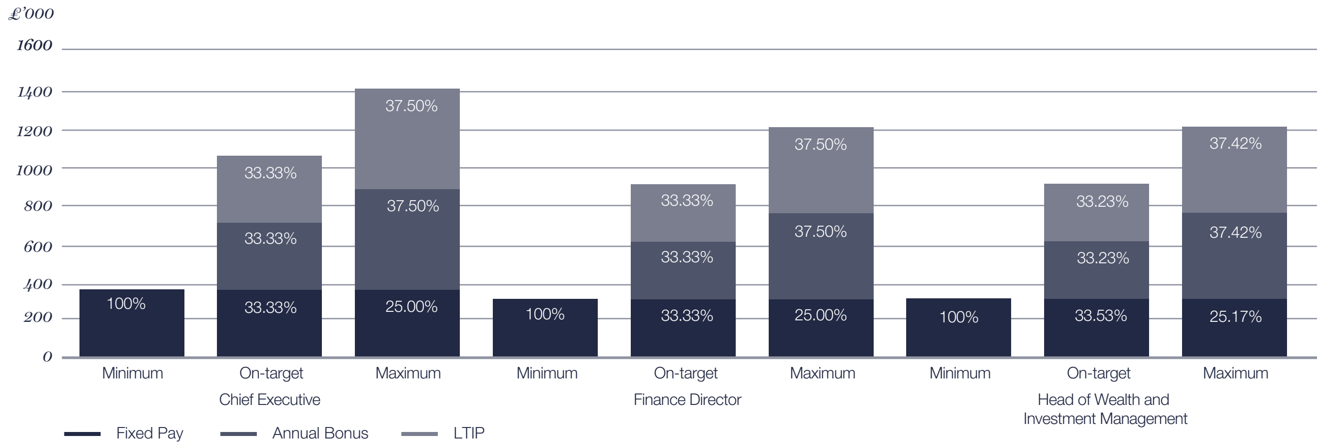
Legacy arrangements

For the avoidance of doubt, the Directors' Remuneration Policy includes authority for the Group to honour any commitments entered into with current or former Directors that have been disclosed to shareholders in previous Remuneration Reports. Details of any payments to former Directors will be set out in the Annual Report on Remuneration of this report as they arise.

Illustrations of application of remuneration policy

Figure 17 opposite shows the minimum (Total Fixed) remuneration, the target level of total remuneration (Total Fixed Pay + on-target annual variable pay + on-target LTIP vesting), and the maximum (Total Fixed Pay + Maximum Annual Variable Pay + Maximum LTIP vesting), for each Executive Director.

Figure 17: Illustration of Executive Director total remuneration at different levels of performance



Fees policy for the Board Chairman and other Non-Executive Directors

Figure 18, below, sets out the Group's policy on fees for the Board Chairman and other Non-Executive Directors.

Figure 18: Chairman and Non-Executive Directors' fees

Element	Purpose and link to strategy	Operation	Maximum
Board Chairman fee	To pay a market competitive all-inclusive fee that takes account of the role and responsibilities	The Board Chairman is paid a single fee for all his responsibilities. The level of the fee is reviewed periodically by the Committee, with reference to market levels in comparably-sized FTSE companies, and a recommendation is then made to the Board (without the Chairman being present).	The maximum aggregate fee for Non-Executive Directors is £700,000 per annum. This is subject to review periodically though any increase in aggregate fee would be subject to approval by shareholders. The fee for the Chairman is £180,000 with effect from 1 January 2016. This is subject to review periodically and potential change under this policy.
Non-Executive Director fees	To pay a market competitive basic fee, and supplements for significant additional responsibilities such as Committee Chairmanships	The Non-Executives are paid a basic fee. There are also supplements for Committee Chairmanships and the Senior Independent Director ('SID'). The fee levels are reviewed periodically by the Chairman and Executive Directors.	As above. The current basic fee is £50,000, and supplements for the Committee Chairmanships and role of SID range between £5,000 and £12,000 but are subject to review and potential change periodically under this policy.

Non-Executive Directors are engaged under letters of appointment; they do not have contracts of service and are not entitled to compensation on early termination of their appointment.

Compliance with the FCA Remuneration Code

The Committee regularly reviews its Remuneration Policy's compliance with the principles of the Remuneration Code of the UK financial services regulator, as applicable to the Group. The Remuneration Policy is designed to be consistent with the prudent management of risk and the sustained, long-term performance of the Group.

Approval

This Directors' Remuneration Report, including both the Policy and Annual Remuneration Report has been approved by the Board of Directors.

Signed on behalf of the Board of Directors

Paul Wilson
Chairman of the Remuneration Committee

1 December 2015

OTHER STATUTORY INFORMATION

Index to principal Directors' Report and Listing Rule disclosures

Relevant information required to be disclosed in the Directors' Report and as set out in Listing Rule 9.8.4 R (information to be included in the Annual Report and Accounts) may be found in the following sections:

Information	Section in Annual Report	Page numbers
Business review	Strategic Report	16–29
Principal risks and uncertainties	Strategic Report	30–33
Disclosure of information to auditor	Other statutory information	81
Directors in office during the year	Corporate Governance Report	52
Dividend recommended for the year	Chairman's Statement	5
Directors' Indemnities	Other statutory information	80
Corporate responsibility governance	Strategic Report	34–39
Greenhouse gas emissions	Strategic Report	38–39
Financial instruments – risk management objectives and policies	Notes to the Financial Statements	126–132
Future developments of the Company	Strategic Report	16–19
Employment policies and employee involvement	Strategic Report	35
Structure of share capital, including restrictions on the transfer of securities, voting rights and significant shareholders	Other statutory information	80–81
Rules governing the appointments of Directors	Corporate Governance Report	50
Powers of Directors	Corporate Governance Report	48
Rules governing changes to the Articles of Association	Other statutory information	81
Shareholder waiver of dividends	Other statutory information	80

The above information is incorporated by reference and together with the information on pages 80 and 81 forms the Directors' Report in accordance with section 415 of the Companies Act 2006.

Cautionary statement

The review of the business and its future development in the Annual Report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for these strategies to succeed. It should not be relied on by any other party for any other purpose. The review contains forward looking statements which are made by the Directors in good faith based on information available to them up to the time of the approval of these reports and should be treated with caution due to inherent uncertainties associated with such statements. The Directors, in preparing the Strategic Report, have complied with s417 of the Companies Act 2006.

Directors' Indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors during the period and these remain in force at the date of this report.

Share capital

Details of the Company's authorised and issued share capital, together with details of the movements therein are set out in note 28 to the financial statements. This includes the rights and obligations attaching to shares and restrictions on the transfer of shares. The Company has one class of Ordinary Shares which carry no right to fixed income. There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Employee share plans

Details of employee share schemes are set out in note 31. Shares held by Computershare (Trustees) Limited abstain from voting. Under the rules of the Group's Share Incentive' Plan ('BDSIP'), shares are held in trust for participants by Equiniti Share Plan Trustees Limited (the 'Trustee'). Voting rights are exercised by the Trustee on receipt of the participant's instructions; if no such instruction is received by the Trustee then no vote is registered. No person has any special rights of control over the Company's share capital and all issued shares are either fully or nil paid. The Company has over the last three-year period, issued a total of 2.73% of its issued share capital of Ordinary Shares in relation to the acquisition of businesses and client relationships.

Articles of Association

The Articles of Association may be amended by special resolution of the shareholders.

Substantial shareholdings

As at 30 September 2015, the Company had received notifications in accordance with the FCA's Disclosures and Transparency Rule 5.1.2 of the following interests of 3% or more in the voting rights of the Company.

Shareholder	Date of notification	Number of voting rights	% of voting rights
Royal London Asset Management	26/08/2014	16,504,683	5.91
Kames Capital	29/05/2015	15,784,929	5.65
BlackRock, Inc.	22/07/2014	below 5%	below 5%
FIL Investment International	06/12/2012	12,477,394	4.47
Aviva plc and its subsidiaries	06/07/2015	11,302,520	4.05
Aberforth Partners	04/04/2012	11,949,100	4.28
Legal & General	28/11/2008	8,563,901	3.07

Annual General Meeting

The Annual General Meeting ('AGM') will be held at 11.30 am on 5 February 2016 at The Lincoln Centre, 18 Lincoln's Inn Fields, London, WC2A 3ED. The Notice of Meeting will be posted to shareholders in January 2016.

Purchase of own shares

At the AGM on 20 February 2015, shareholders approved a resolution for the Company to make purchases of its own shares to a maximum of 10% of its issued Ordinary Shares. This resolution remains valid until the conclusion of the next AGM in 2016. As at 1 December 2015 the Directors had not used this authority.

Employees

The average number of persons, including Directors, employed by the Group and their remuneration, is set out in note 7 to the financial statements. Other information about the Group's employee engagement, diversity and inclusion policies are set out on page 35.

Auditor

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved for and on behalf of the Board of Brewin Dolphin Holdings

PLC Company Number: 2685806

Louise Meads
Company Secretary

1 December 2015

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare the Group Financial Statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union ('EU') and Article 4 of the IAS Regulation and have also chosen to prepare the parent company Financial Statements under IFRSs as adopted by the EU. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Directors' Responsibility Statement

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

This Responsibility Statement was approved by the Board of Directors on 1 December 2015 and is signed on its behalf by:

David Nicol
Chief Executive

Andrew Westenberger
Finance Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BREWIN DOLPHIN HOLDINGS PLC

Opinion on financial statements of Brewin Dolphin Holdings PLC

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2015 and of the group's profit for the period then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

The financial statements comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Changes in Equity and the related notes 1 to 37. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

Going concern and the directors' assessment of the principal risks that would threaten the solvency or liquidity of the group

As required by the Listing Rules we have reviewed the directors' statement regarding the appropriateness of the going concern basis of accounting contained within note 3 to the financial statements and the directors' statement on the longer-term viability of the group on page 29.

We have nothing material to add or draw attention to in relation to:

- the directors' confirmation on page 29 that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures on pages 31 to 33 that describe those risks and explain how they are being managed or mitigated;
- the directors' statement in note 3 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- the directors' explanation on page 29 as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We agreed with the directors' adoption of the going concern basis of accounting and we did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Independence

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Risk	How the scope of our audit responded to the risk
Impairment review of intangible assets – client relationships and goodwill	
Historically the group expanded through acquisitions leading to goodwill and client relationships, resulting in the recognition of £77.7m (2014: £87.0m) of capitalised client relationships and goodwill. The impairment of these intangible assets represents a key area of judgment because the group assesses whether the ongoing benefits offered by the capitalised client relationship intangibles and goodwill are greater than the carrying value or whether there is an indication of impairment. This assessment is driven by estimates of future income flows from funds under management. See Note 16 for disclosure and Note 1 for critical accounting policies.	In assessing the intangible assets, we have reviewed the calculations prepared by management to assess whether they meet the requirements of IAS 36 "Impairment of Assets" and that the assumptions and judgements made are appropriate. In doing this we have challenged the percentages management have applied to market values of funds under management to determine fair value, and validated these against percentages derived from recent public acquisitions of fund management businesses. We have also performed procedures to test the controls over the production of funds under management data used as the basis for the estimates of future revenue flow. Additionally we have performed a recalculation on the sensitivity of the valuation of funds under management which is included in note 17.
Assumptions underlying the calculation of the pension scheme deficit	
The group has recognised a defined benefit pension deficit of £2.9m (2014: £7.7m), see Note 27. The valuation of the deficit, being the net of the assets (£81.9m) and liabilities (£84.8m), is significant as this balance impacts the company's distributable reserves and is estimated based on management judgement. Uncertainty arises as a result of estimates made in respect of long-term trends and market conditions to determine the value based on the group's expectations of the future. As a result, the final deficit realised by the group may be significantly different to that recognised on the balance sheet since small changes to the assumptions used materially affect the valuation. See Note 27 for disclosure and Note 1 for critical accounting policies.	In order to evaluate the appropriateness of the assumptions used by management we have used our own actuarial experts to make direct enquiries of the Group's actuary and review the key actuarial assumptions adopted for the IAS 19 ("Employee Benefits") calculations for compliance with the requirements of the accounting standard, in particular, considering the discount rate, inflation rate and mortality assumptions against other available information and similar demographics. We have circularised the custodian of the pension scheme assets and independently recalculated the value of the scheme's portfolio of assets.
Estimations for provisions for sundry claims and associated costs	
Sundry claims associated costs relate to estimated liabilities including costs related to litigation or client complaints of unsuitable or misleading advice occurring in the course of business. The amount of £2.4m (2014: £1.9m) recognised as a provision should be the group's best estimates of the expenditure required to settle these obligations and therefore is subject to management judgement particularly in relation to probability and quantum of the claim. Recoveries from insurers related to such obligations should be recognised when it is virtually certain that the reimbursement will be received and should be treated as separate assets. See Note 34 for disclosure and Note 1 for critical accounting policies.	We have discussed outstanding legal cases and claims received with management, reviewed the associated legal correspondence and assessed whether the levels of provisions and associated insurance debtors are appropriate and that the debtor balances are likely to be recoverable. We also received confirmations from the group's legal representatives and insurance broker in relation to the outstanding balances.

Risk	How the scope of our audit responded to the risk
Onerous lease contracts and dilapidations	
As at 30 September 2015, management recognised onerous lease provisions of £4.1m (2014: £5.8m) which arose due to properties leased by the Group in regards to the branches being vacant during all or part of the period. Assessments are made of the obligations in respect of vacant space, taking account in certain cases, of any potential income from subletting such space. Due to the number of leases held, the quantum of the lease charge, and the manual nature of the calculations there is a risk that errors could occur. In additions, there has been an increase of £1.2m in the estimate of the provision for dilapidations in relation to leases. This is as a result of management performing a review of the property portfolio after the termination and surrendering of a number of leases, such that a more reliable estimate can now be made for future costs. See Note 34 for disclosure and Note 1 for critical accounting policies.	We discussed with management the estimation methodology used and key assumptions to determine the onerous lease and dilapidation provisions and independently confirmed these amounts to source documentation to assess whether they are appropriately calculated. In visiting locations we established whether there was vacant space not provided for and discussed the use of premises with local management.
Sale of the Stocktrade division	
During the period, the group entered into a contract for the sale of its execution only division, Stocktrade and the associated balances have been disclosed as discontinued operations. The sale of Stocktrade is unlikely to complete until the first half of 2016, however the transaction was only partially completing pre-the year end date and not all clients had been transferred across. The costs and related provisions are included in the financial statements, however the revenue for the sale of £14m is deferred until the following period, see Note 13. The control and risks and rewards of the contracts had not been fully transferred and so there is a risk that the revenue and associated provisions are recorded incorrectly.	We have assessed the terms within the sale agreement and other associated contracts for the appropriate treatment under IFRS 3 "Business Combinations" and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". We have performed a detailed analysis of the progress of the transaction as at 30 September 2015 and challenged management's approach to the treatment of revenue. Additionally, we tested the discontinued operations disclosure for the timing of the recognition of the consideration and the related costs and their completeness and accuracy.

Last year, our report included two risks which are not included in our report this year:

Software impairment and related contractual obligations.

This is in relation to capitalised software that management determined was substantially impaired in the year ended 2014. The risk relating to the remaining balance has been determined as not significant.

Estimations used in the calculation of shares to be issued.

The inputs in relation to the calculation of shares to be issued can be precisely determined in the current period and therefore do not require management estimate.

Additionally, we have split out the risk disclosed in 2014 as **estimations for provisions for sundry claims and associated costs and onerous lease contracts** into two separate risks as the nature of the risk has diverged.

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on pages 59 and 60.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the group to be £3.0m (2014: £2.8m), which is 5% (2014: 7%) of pre-tax profit from continuing operations.

This is a change of rate from 2014, where we used 7% of profit before tax. We have changed the percentage applied to align more closely with comparable companies. Additionally, in 2014 we used adjusted pre-tax profit by taking into account the exceptional impairment charge of £31.7m which was a significant and non-recurring expense.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £61,000 (2014: £54,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our group audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, and assessing the risks of material misstatement at the group level.

The group consists of the main trading subsidiary, Brewin Dolphin Limited along with Tilman Brewin Dolphin Limited, Brewin Dolphin MP Limited, Brewin Dolphin Nominees (Ireland) Limited and 8 nominee companies that are in the scope of our audit.

Brewin Dolphin Limited and Tilman Brewin Dolphin Limited make up 99% of the group revenue. For these two entities we use component materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the group financial statements exceeds materiality for the group financial statements as a whole. The component materialities are £2.6m and £1.5m respectively.

The majority of the operations of the Group are based in the United Kingdom and are audited by Deloitte LLP. The only exception to this is Tilman Brewin Dolphin Limited, an Irish Company, which represents less than 5% of revenue and which is audited by a Deloitte affiliate. We have supervised their work on the figures included in the Group's financial statements for this entity through the issuance of instructions, receipt of summaries of work performed and ongoing dialogue and a visit during the audit process.

The group audit team continued to follow a programme of planned visits to branches, which primarily operate as local sales offices, that have been designed so that a senior member of the group audit team visits the locations on a rotational basis. In total, our work included visits to 6 branches.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters.

Corporate Governance Statement

Under the Listing Rules we are also required to review part of the Corporate Governance Statement relating to the company's compliance with certain provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Oliver Grundy FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

1 December 2015

FINANCIAL STATEMENTS

In this section

CONSOLIDATED INCOME STATEMENT

Period ended 30 September 2015

	Note	2015[1] £'000	2014[1] £'000
Continuing operations			
Revenue	5	**280,196**	275,316
Other operating income	5	**3,495**	5,443
Total income		**283,691**	280,759
Staff costs	7	**(152,982)**	(147,345)
Redundancy costs	7	**(2,432)**	(2,269)
FSCS levy rebate	8	**1,160**	–
Onerous contracts	34	**(433)**	(2,005)
Amortisation of intangible assets – client relationships	16	**(9,219)**	(13,592)
Impairment of intangible assets – software	17	**–**	(31,693)
Licence provisions	34	**–**	(2,034)
Other operating costs		**(68,975)**	(76,066)
Operating expenses		**(232,881)**	(275,004)
Operating profit		**50,810**	5,755
Finance income	10	**907**	1,549
Other gains and losses	11	**9,712**	–
Finance costs	10	**(429)**	(546)
Profit before tax	9	**61,000**	6,758
Tax	12	**(12,729)**	(1,362)
Profit for the period from continuing operations		**48,271**	5,396
Discontinued operations			
(Loss)/profit for the period from discontinued operations	13	**(7,233)**	1,275
Profit for the period		**41,038**	6,671
Attributable to:			
Equity holders of the parent		**41,038**	6,671
		41,038	6,671
Earnings per share			
From continuing operations			
Basic	15	**17.7p**	2.0p
Diluted	15	**17.1p**	1.9p
From continuing and discontinued operations			
Basic	15	**15.0p**	2.5p
Diluted	15	**14.5p**	2.4p

[1] See notes 1, 2 and 37 (notes 2 and 37 are only applicable to 2014).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 September 2015

	Note	2015[1] £'000	2014[1] £'000
Profit for the period		**41,038**	6,671
Items that will not be reclassified subsequently to profit and loss:			
Actuarial gain/(loss) on defined benefit pension scheme	27	**2,110**	(1,223)
Deferred tax (charge)/credit on actuarial gain/(loss) on defined benefit pension scheme	12	**(422)**	245
		1,688	(978)
Items that may be reclassified subsequently to profit and loss:			
Reversal of revaluation of available-for-sale investments		**(9,565)**	–
Reversal of deferred tax charge on revaluation of available-for-sale investments		**1,913**	–
Exchange differences on translation of foreign operations		**(266)**	(302)
		(7,918)	(302)
Other comprehensive expense for the period		**(6,230)**	(1,280)
Total comprehensive income for the period		**34,808**	5,391
Attributable to:			
Equity holders of the parent		**34,808**	5,391
		34,808	5,391

[1] See notes 1, 2 and 37 (notes 2 and 37 are only applicable to 2014).

CONSOLIDATED BALANCE SHEET

As at 30 September 2015

	Note	As at 30 September 2015 £'000	As at 28 September 2014[1] £'000
ASSETS			
Non-current assets			
Intangible assets	16	**86,989**	94,311
Property, plant and equipment	18	**8,188**	11,076
Available-for-sale investments	20	**–**	10,000
Other receivables	21	**442**	1,092
Deferred tax asset	12	**10,605**	9,136
Total non-current assets		**106,224**	125,615
Current assets			
Available-for-sale investments	20	**140**	–
Trading investments	20	**945**	912
Trade and other receivables	21	**254,041**	302,065
Cash and cash equivalents	22	**149,839**	136,383
Total current assets		**404,965**	439,360
Total assets		**511,189**	564,975
LIABILITIES			
Current liabilities			
Bank overdrafts	23	**16**	1,270
Trade and other payables	24	**255,524**	311,146
Current tax liabilities		**2,786**	3,888
Provisions	34	**7,267**	4,973
Shares to be issued including premium	25	**9,304**	10,068
Total current liabilities		**274,897**	331,345
Net current assets		**130,068**	108,015
Non-current liabilities			
Retirement benefit obligation	27	**2,869**	7,735
Deferred purchase consideration	25	**–**	1,271
Provisions	34	**14,272**	4,142
Shares to be issued including premium	25	**–**	9,212
Total non-current liabilities		**17,141**	22,360
Total liabilities		**292,038**	353,705
Net assets		**219,151**	211,270
EQUITY			
Called up share capital	28	**2,793**	2,745
Share premium account	28	**142,135**	139,420
Own shares	29	**(28,153)**	(16,045)
Revaluation reserve		**–**	7,652
Merger reserve	30	**70,553**	61,380
Profit and loss account		**31,823**	16,118
Equity attributable to equity holders of the parent		**219,151**	211,270

[1] Restated see notes 2 and 37.

Approved by the Board of Directors and authorised for issue on 1 December 2015

Signed on its behalf by

D Nicol
Chief Executive

A Westenberger
Finance Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 30 September 2015

	Attributable to the equity shareholders of the parent						
	Called up share capital £'000	Share premium account £'000	Own shares £'000	Revaluation reserve £'000	Merger reserve £'000	Profit and loss account £'000	Total £'000
Balance at 29 September 2013	2,712	133,341	(12,734)	7,652	61,380	29,294	221,645
Restatement (see notes 2 and 37)	–	–	–	–	–	(549)	(549)
Balance at 29 September 2013 (Restated)	2,712	133,341	(12,734)	7,652	61,380	28,745	221,096
Profit for the period	–	–	–	–	–	6,671	6,671
Other comprehensive income for the period							
Deferred and current tax on other comprehensive income	–	–	–	–	–	245	245
Actuarial loss on defined benefit pension scheme	–	–	–	–	–	(1,223)	(1,223)
Exchange differences on translation of foreign operations	–	–	–	–	–	(302)	(302)
Total comprehensive income for the period	–	–	–	–	–	5,391	5,391
Dividends	–	–	–	–	–	(23,126)	(23,126)
Issue of shares	33	6,079	–	–	–	–	6,112
Own shares acquired in the period	–	–	(7,963)	–	–	–	(7,963)
Own shares disposed of on exercise of options	–	–	4,652	–	–	(4,652)	–
Share-based payments	–	–	–	–	–	8,498	8,498
Tax on share-based payments	–	–	–	–	–	1,262	1,262
Balance at 28 September 2014	**2,745**	**139,420**	**(16,045)**	**7,652**	**61,380**	**16,118**	**211,270**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**41,038**	**41,038**
Other comprehensive income for the period							
Deferred and current tax on other comprehensive income	**–**	**–**	**–**	**1,913**	**–**	**(422)**	**1,491**
Actuarial gain on defined benefit pension scheme	**–**	**–**	**–**	**–**	**–**	**2,110**	**2,110**
Reclassification adjustment for gain included in profit	**–**	**–**	**–**	**(9,565)**	**–**	**–**	**(9,565)**
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**(266)**	**(266)**
Total comprehensive (expense)/income for the period	**–**	**–**	**–**	**(7,652)**	**–**	**42,460**	**34,808**
Dividends	**–**	**–**	**–**	**–**	**–**	**(26,963)**	**(26,963)**
Issue of shares	**48**	**2,715**	**–**	**–**	**9,173**	**–**	**11,936**
Own shares acquired in the period	**–**	**–**	**(19,999)**	**–**	**–**	**–**	**(19,999)**
Own shares disposed of on exercise of options	**–**	**–**	**7,891**	**–**	**–**	**(7,891)**	**–**
Share-based payments	**–**	**–**	**–**	**–**	**–**	**8,938**	**8,938**
Tax on share-based payments	**–**	**–**	**–**	**–**	**–**	**(839)**	**(839)**
Balance at 30 September 2015	**2,793**	**142,135**	**(28,153)**	**–**	**70,553**	**31,823**	**219,151**

COMPANY BALANCE SHEET

As at 30 September 2015

	Note	As at 30 September 2015 £'000	As at 28 September 2014 £'000
ASSETS			
Non-current assets			
Investment in subsidiaries	19	**194,305**	201,359
Other receivables	21	**50**	250
Total non-current assets		**194,355**	201,609
Current assets			
Trade and other receivables	21	**49,306**	38,919
Cash and cash equivalents	22	**259**	624
Total current assets		**49,565**	39,543
Total assets		**243,920**	241,152
LIABILITIES			
Current liabilities			
Trade and other payables	24	**16,363**	12,428
Current tax liabilities		**531**	–
Shares to be issued including premium	25	**9,304**	10,068
Total current liabilities		**26,198**	22,496
Net current assets		**23,367**	17,047
Non-current liabilities			
Shares to be issued including premium	25	**–**	9,212
Total non-current liabilities		**–**	9,212
Total liabilities		**26,198**	31,708
Net assets		**217,722**	209,444
EQUITY			
Called up share capital	28	**2,793**	2,745
Share premium account	28	**142,135**	139,420
Own shares	29	**(28,153)**	(16,045)
Merger reserve	30	**70,838**	61,665
Profit and loss account		**30,109**	21,659
Equity attributable to equity holders		**217,722**	209,444

Approved by the Board of Directors and authorised for issue on 1 December 2015

Signed on its behalf by

D Nicol
Chief Executive

A Westenberger
Finance Director

COMPANY STATEMENT OF CHANGES IN EQUITY

Period ended 30 September 2015

	Attributable to the equity shareholders of the company					
	Called up share capital £'000	Share premium account £'000	Own shares £'000	Merger reserve £'000	Profit and loss account £'000	Total £'000
Balance at 29 September 2013	2,712	133,341	(12,734)	61,665	26,155	211,139
Profit for the period	–	–	–	–	14,784	14,784
Total comprehensive income for the period	–	–	–	–	14,784	14,784
Dividends	–	–	–	–	(23,126)	(23,126)
Issue of shares	33	6,079	–	–	–	6,112
Own shares acquired in the period	–	–	(7,963)	–	–	(7,963)
Own shares disposed of on exercise of options	–	–	4,652	–	(4,652)	–
Share-based payments	–	–	–	–	8,498	8,498
Balance at 28 September 2014	**2,745**	**139,420**	**(16,045)**	**61,665**	**21,659**	**209,444**
Profit for the period	**–**	**–**	**–**	**–**	**34,366**	**34,366**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**34,366**	**34,366**
Dividends	**–**	**–**	**–**	**–**	**(26,963)**	**(26,963)**
Issue of shares	**48**	**2,715**	**–**	**9,173**	**–**	**11,936**
Own shares acquired in the period	**–**	**–**	**(19,999)**	**–**	**–**	**(19,999)**
Own shares disposed of on exercise of options	**–**	**–**	**7,891**	**–**	**(7,891)**	**–**
Share-based payments	**–**	**–**	**–**	**–**	**8,938**	**8,938**
Balance at 30 September 2015	**2,793**	**142,135**	**(28,153)**	**70,838**	**30,109**	**217,722**

CONSOLIDATED CASH FLOW STATEMENT

Period ended 30 September 2015

	Note	2015[1] £'000	2014[1] £'000
Net cash inflow from operating activities	35	**57,478**	59,968
Cash flows from investing activities			
Purchase of intangible assets – client relationships		**(3)**	(150)
Purchase of intangible assets – software		**(5,146)**	(7,450)
Purchases of property, plant and equipment		**(2,271)**	(2,751)
Purchase of available-for-sale investments		**(140)**	–
Proceeds on disposal of available-for-sale investments		**10,147**	–
Dividend received from available-for-sale investments		**–**	307
Net cash used in investing activities		**2,587**	(10,044)
Cash flows from financing activities			
Dividends paid to equity shareholders	14	**(26,963)**	(23,126)
Purchase of own shares	29	**(19,999)**	(7,963)
Proceeds on issue of shares		**1,913**	3,048
Net cash used in financing activities		**(45,049)**	(28,041)
Net increase in cash and cash equivalents		**15,016**	21,883
Cash and cash equivalents at the start of period		**135,113**	113,533
Effect of foreign exchange rates		**(306)**	(303)
Cash and cash equivalents at the end of period		**149,823**	135,113
Cash and cash equivalents shown in current assets	22	**149,839**	136,383
Bank overdrafts	23	**(16)**	(1,270)
Net cash and cash equivalents		**149,823**	135,113

[1] See notes 1, 2 and 37 (notes 2 and 37 are only applicable to 2014).

For the purposes of the Cash Flow Statement, net cash and cash equivalents include bank overdrafts.

COMPANY CASH FLOW STATEMENT

Period ended 30 September 2015

	Note	2015[1] £'000	2014[1] £'000
Net cash inflow from operating activities	35	**24,685**	20,566
Cash flows from financing activities			
Dividends paid to equity shareholders	14	**(26,963)**	(23,126)
Proceeds on issue of shares		**1,913**	3,048
Net cash used in financing activities		**(25,050)**	(20,078)
Net (decrease)/increase in cash and cash equivalents		**(365)**	488
Cash and cash equivalents at the start of period		**624**	136
Cash and cash equivalents at the end of period	22	**259**	624

[1] See note 1.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The consolidated financial statements of Brewin Dolphin Holdings PLC (the 'Company') and its subsidiaries (collectively, the 'Group') for the period ended 30 September 2015 were authorised for issue by the Directors on 1 December 2015.

The Company was incorporated in the United Kingdom under the Companies Act 2006. The nature of the Group's operations and its principal activities are set out in the Strategic Report.

The Company is registered in England and Wales. The address of the registered office is 12 Smithfield Street, London EC1A 9BD.

The separate financial statements of the Company are also reported.

The financial statements represent the period from 29 September 2014 to 30 September 2015. The comparatives are for the 52 week period ended 28 September 2014.

The significant accounting policies are disclosed below. The policies for the Group and the Company are consistent unless otherwise stated.

Restatement

During the period, the Group adopted IFRIC 21– 'Levies'. Specific transitional provisions are applicable to first-time application of IFRIC 21. The Group has applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis, see note 2(a) below.

In addition, the Group has changed its accounting policy relating to client settlement cash, consequently the Group has applied IAS 8 – 'Accounting Policies, Changes in Accounting Estimates and Errors' and restated the comparative amounts on a retrospective basis, see note 2(b) below.

2. Application of new and revised International Financial Reporting Standards ('IFRSs') and changes in accounting policy

a. New standards, amendments and interpretations adopted

In the current year, the following new and revised Standards and Interpretations have been adopted. The effect of the adoption of these changes on the consolidated financial statements is described below.

IFRIC 21 'Levies'

IFRIC 21 is effective for annual periods beginning on or after 1 January 2014 and has been applied retrospectively. It is applicable to all levies imposed by financial services regulators under legislation, other than outflows that are within the scope of other standards and fines or other penalties for breaches of legislation. The interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers payment as identified by the relevant legislation occurs.

The trigger that gives rise to the liability to pay the FSCS Levy is that Brewin Dolphin Limited is a company authorised by the FCA at the levy date of 1 July. At this point, the full FSCS Levy is recognised.

The impact of this new interpretation in the current period is to reduce other operating costs by £4,000 and increase profit for the period by £3,000. The impact on prior periods is outlined in note 37.

In addition to adopting the above new interpretation, the following amendments came into effect in the current period:

- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
- Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32
- Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39
- Annual Improvements 2010–2012 Cycle
- Annual Improvements 2011–2013 Cycle

The application of the above amendments had no material effect on the accounts of the Company or Group for the periods presented.

b. Changes in accounting policy

The Group has amended its accounting policy for client settlement cash. Client settlement account balances were previously shown as client settlement cash included within cash and cash equivalents. The accounting policy has been changed to reclassify these balances to either trade and other payables or trade and other receivables, which better reflects the substance of these balances.

The impact of this change in the current period is to reduce cash and cash equivalents by £19.7 million, decrease trade and other payables by £16.6 million, and increase trade and other receivables by £3.1 million. There is no impact on profit for the period. The impact on prior periods is outlined in note 37, firm's cash was not impacted by the change.

c. New standards, amendments and interpretations issued but not effective

		Effective for period beginning on or after
IFRS 9[1]	Financial Instruments	1 January 2018
IFRS 10, IFRS 12 and IAS 28[1]	Amendments to Investment Entities: Applying the Consolidation Exemption	1 January 2016
IFRS 11[1]	Amendments to Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IFRS 14[1]	Regulatory Deferral Accounts	1 January 2016
IFRS 15[1]	Revenue from Contracts with Customers	1 January 2017
IAS 1[1]	Amendments to Disclosure Initiative	1 January 2016
IAS 16 and IAS 38[1]	Amendments to Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
IAS 27[1]	Amendments to Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to IFRS[1]	2012 – 2014 Cycle	1 January 2016

[1] These amendments have not yet been endorsed by the EU.

The Directors are currently reviewing the impact of these new standards, amendments and interpretations but do not intend to adopt the standards early.

3. Significant accounting policies

a. Statement of compliance

The consolidated financial statements for both the Group and the Company have been prepared in accordance with International Financial Reporting Standards ('IFRSs') adopted by the European Union, Article 4 of the EU IAS Regulation and Companies Act 2006.

b. Basis of preparation

The consolidated financial statements are presented in pounds sterling, the functional currency of the Company, rounded to the nearest thousand pound (£'000) except where otherwise indicated.

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In accordance with Section 408 of the Companies Act 2006, Brewin Dolphin Holdings PLC has taken advantage of the legal dispensation not to present its own Statement of Comprehensive Income or Income Statement. The amount of the profit for the financial period dealt with in the financial statements of the Company is disclosed in the Company Statement of Changes in Equity.

d. Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Strategic Report.

3. Significant accounting policies (continued)

e. Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the income statement as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

f. Transaction date accounting

All securities transactions entered into on behalf of clients are recorded in the accounts on the date of the transaction. The underlying investments are not shown in the financial statements of the Group.

g. Foreign currencies

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

h. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents commissions, investment management fees, renewal commissions and other income, excluding VAT, receivable in respect of the period.

Investment management fees and renewal commissions are recognised in the period in which the related service is provided and commissions are recognised when the transaction is performed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Dividends received and receivable are credited to the Income Statement to the extent that they represent a realised profit and loss for the Company.

i. Other operating income

Interest receivable and payable on client free money balances is netted to calculate the Group's share of interest receivable and included under the heading 'Other operating income'.

j. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and bank overdrafts.

k. Leases

Rentals on operating leases are charged to the Income Statement on a straight-line basis over the lease term. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a liability. The aggregate benefit of incentives is spread on a straight-line basis over the lease term.

l. Share-based payments

Equity-settled share-based payments to employees are measured at fair value of the equity instruments at the date of grant. The fair value excludes the effect of non-market based vesting conditions. Details regarding the determination of the fair value of equity–settled share-based transactions are set out in note 31.

Fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

m. Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been substantively enacted at the balance sheet date. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

n. Investments in subsidiaries

In the Company's accounts investments in subsidiary undertakings are stated at cost less any provision for impairment.

o. Intangible assets

i) Goodwill

Goodwill is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the identifiable assets and liabilities at the date of acquisition.

Goodwill is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the Income Statement and is not reversed in a subsequent period (see note 3(v) for the Impairment accounting policy).

When the consideration transferred by the Group is deferred or contingent, this is valued at its acquisition date fair value, and is included in the consideration transferred in a business combination. Changes in the deferred or contingent consideration, which occur in the measurement period, are adjusted retrospectively, with corresponding adjustments to goodwill. Subsequently to the measurement period the deferred and contingent considerations are revised annually at the balance sheet date and any corresponding adjustments are posted to the Income Statement. Such deferred or contingent consideration may be settled in shares (see note 3(t) for the Shares to be issued accounting policy).

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3. Significant accounting policies (continued)

ii) Client relationships

Intangible assets classified as 'client relationships' are recognised when acquired as part of a business combination or when separate payments are made to acquire funds under management by adding teams of Investment Managers. Client relationships acquired separately are initially recognised at cost. If acquired as part of a business combination the initial cost of client relationships is the fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

When separate payments are made to acquire funds under management by adding teams of Investment Managers, elements of the total consideration may be deferred or contingent. In such cases the cost of the recognised client relationships includes the Company's best estimate of the future consideration likely to be made, discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money, and is revised at each balance sheet date. Such deferred or contingent consideration may be settled in shares (see note 3(t) for the Shares to be issued accounting policy).

Client relationships are amortised over seven to fifteen years, their minimum estimated useful lives.

iii) Computer software

Computer software which is not an integral part of the related hardware is classified as an intangible asset. Costs of acquiring computer software are treated as an intangible asset and amortised over three to ten years, dependent upon the assessment of the expected useful life of the software, on a straight line basis from the date the software is operating as management intended.

Computer software developed internally is separately identified and recognised as an intangible asset if it is part of a specifically authorised project which will give probable future economic benefits over a period and is amortised over three to ten years on a straight line basis from the date the software comes into use, dependent on the assessment of the expected useful life of the software.

The assessment of the expected useful life of computer software is based on the contractual terms or where appropriate past experience of the life of similar assets.

p. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment. Depreciation has been provided on the basis of equal annual instalments to write off the cost less estimated residual values of tangible fixed assets over their estimated useful lives as follows:

Computer equipment	3 to 4 years
Office equipment	4 to 10 years
Leasehold improvements	to the earlier of the first break clause of the lease or 10 years
Motor vehicles	5 years

The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

q. Fair value measurement

The Group measures financial instruments and non-financial assets, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset of liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

r. Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

i) Financial assets

Financial assets are classified into the following specified categories:

- financial assets at fair value through profit or loss ('FVTPL');
- available-for-sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL where the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as held-for-trading if it has been acquired principally for the purpose of selling in the near future.

Financial assets classified as FVTPL are stated at fair value, with any resultant gain or loss on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividends or interest earned on the financial asset and is included in the Income Statement. The fair value is determined in the manner described in note 3(q).

Available-for-sale financial assets ('AFS')

Certain shares held by the Group are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described in note 3(q). Gains and losses are recognised directly in other comprehensive income and accumulated in the revaluation reserve with the exception of impairment losses which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit and loss when the Group's right to receive payment is established.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments and are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of the impairment.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period. In subsequent periods if the amount of impaired loss decreases, in respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

3. Significant accounting policies (continued)

ii) Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the contractual arrangements entered into.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities at FVTPL

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. Financial liabilities are classified as FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Income Statement. Fair value is determined in the manner described in note 3(q).

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

s. Netting of balances

Amounts due to and from counterparties due to settle on balance are shown net where there is a currently enforceable legal right to set off the recognised amounts and an operational intention to settle net. Amounts due to and from counterparties due to settle against delivery of stock are shown gross.

t. Shares to be issued including premium

Shares to be issued represent the Company's best estimate of the amount of ordinary shares in the Company, which are likely to be issued following business combinations or the acquisition of client relationships which involve deferred payments in the Company's shares. The sum payable which will be converted into shares of equivalent value is discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and is revised annually in the light of actual results. The resulting interest charge from the unwind of the discount is included within finance costs. Where shares are due to be issued within a year the sum is included in current liabilities.

u. Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit retirement benefit schemes, the cost of providing benefits is determined using the Projected Unit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurements comprising actuarial gains and losses and the return on scheme assets (excluding interest) are recognised immediately in the Balance Sheet with a charge or credit to the Statement of Comprehensive Income in the period in which they occur. Remeasurement recorded in the Statement of Comprehensive Income is not recycled.

Any past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Net interest is calculated by applying a discount rate to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

v. Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Goodwill is tested for impairment at least annually and whenever there is an indication that it may be impaired. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit ('CGU') to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

For the purposes of impairment testing, client relationships and goodwill are allocated to each of the Group's cash-generating units. Fair value is established by valuing clients' funds under management in each of the cash-generating units at the period end; the percentages of funds being used depending on values attributed in recent public transactions for the purchase of advisory and discretionary funds. If the carrying amount relating to any cash-generating unit exceeds the calculated fair value less costs to sell, a value in use is calculated using a discounted cash flow method. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

If the recoverable amount of any asset other than client relationships or goodwill is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

w. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Where some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that the reimbursement will be received and the amount receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

x. Discontinued operations

A discontinued operation is a component of the Group's business that either has been disposed of or is classified as held for sale.

Components of the Group are classified as held for sale if their carrying amount will be recovered or settled principally through a sale transaction rather than through continuing use. This condition is regarded as being met only when the sale is highly probable and the component is available for immediate sale in its present condition.

Components of the Group classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. No depreciation is charged on businesses classified as held for sale.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

a. Critical judgements in applying the Group's accounting policies

i. Recognition of disposal of Stocktrade

In May 2015, the Group signed an agreement to sell its Execution Only division, Stocktrade, to Alliance Trust Savings Limited (the 'Purchaser') for £14 million.

As at 30 September 2015, the consideration has not been recognised in the financial statements, since the Group continues to maintain control over the discontinued operation and is exposed to variable returns in the form of income and associated expenses, even though some clients' contracts have transferred to the Purchaser and are being administered on its systems.

The decision not to recognise the consideration is a material critical accounting judgement.

Associated costs of disposal, including onerous contracts and the resultant provisions have been recognised in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

Refer to note 13 for additional information.

ii. Goodwill and client relationships

The Group assesses whether payments made to newly recruited investment teams under contractual agreements represent payments for the acquisition of client relationships or remuneration for ongoing services provided to the Group. The assessment requires judgement concerning the terms and levels of these payments to determine whether the costs are capitalised or expensed. Payments made for the acquisition of client relationships are capitalised whereas those that are judged to be in relation to the provision of ongoing services are expensed in the period in which they are incurred.

During the period the Group expensed £259,000 in relation to the acquisition of client relationships and there has been a net reduction to the client relationship intangible assets of £105,000 relating to the reassessment of deferred purchase consideration liabilities for past acquisitions. In the prior period, the Group capitalised £7,468,000 and expensed £217,000.

b. Key sources of estimation uncertainty

i. Goodwill and client relationships

Amortisation of client relationships
The useful economic life over which client relationships are amortised is determined by the expected duration of the client relationships which are determined with reference to past experience of account closures, in particular the average life of those relationships, and future expectations. During the period, client relationships were amortised over a 7 to 15 year period.

The amortisation for the period was £9,219,000 (2014: £13,592,000), a reduction in the average amortisation period by one year would increase the amortisation expense for the period by £834,000 (2014: £1,094,000).

Impairment of goodwill and client relationships
Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use.

For the purposes of impairment testing, the Group values the recoverable amount of goodwill and client relationships at the fair value less costs of disposal. The calculation of the fair value less costs of disposal is based on the valuation of the funds under management, which make up the relevant intangible asset. A percentage is applied to funds under management (3% for discretionary funds and 1% for advisory funds) to determine the fair value. These percentages have been based on recent public transactions.

The recoverable amount is sensitive to movements in the valuation of funds under management. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 17.

ii. Retirement benefit obligation

The calculation of the present value of the retirement benefit obligation is determined by using actuarial valuations. Management make key assumptions in determining the inputs into the actuarial valuations, which may differ from actual developments in the future. These assumptions are governed by IAS 19 'Employee Benefits' (revised 2011), and include the determination of the discount rate, life expectancies and future salary increases. Due to the complexities in the valuation, the retirement benefit obligation is highly sensitive to changes in these assumptions. The detailed assumptions are set out in note 27.

iii. Share-based payments

Long Term Incentive Plan ('LTIP')
During the period, the Group granted its second additional award under the LTIP. The scheme includes performance based vesting conditions, which impacts the amount of benefit paid. The Group has made assumptions on the likelihood of meeting the performance conditions in determining the expense in the period. The LTIP charge for the period was £669,000; an absolute increase of 10% in the vesting assumptions would increase the charge for the period by £251,000. Further information on the scheme is disclosed in note 31.

iv. Provisions

Sundry claims and associated costs
The Group recognises a provision for sundry claims and associated costs. The valuation of the claims is based on the best estimate discounted to present value where the impact of the time value of money is material. Further information is disclosed in note 34. It is not possible to perform a sensitivity analysis on this balance as it is impracticable.

Leasehold dilapidations
The Group recognises a provision for leasehold dilapidations. The valuation of the leasehold dilapidations is based on the best estimate of the likely cash flows discounted to present value. The estimation also includes assumptions about the split of the total estimation of the cost between dilapidations relating to general wear and tear, specific requirements to replace items, and the removal of leasehold improvements. If the estimate of the likely cash flows used in the calculation of this provision was increased by 10%, the provision would increase by £164,000. Further information is disclosed in note 34.

The leasehold dilapidation provision has increased during the period by £1,200,000. The increase consists of additions of £1,680,000, less utilisations of £232,000 and unused amounts reversed of £248,000. The increase in the provision is primarily attributable to the refinement of the estimation methodology as a result of now being able to make a more reliable estimate.

Onerous leases
The Group has recognised a provision for onerous leases of £4,069,000 (2014: £5,779,000). The valuation of an onerous lease is based on the best estimate of the likely future costs discounted to present value. Where the provision is in relation to premises and it is more likely than not that the premises will be sublet, an allowance for sublease income has been included in the valuation. If the assumptions regarding the sublet income are removed, the provision would increase by £1,232,000 to £5,301,000. Further information is disclosed in note 34.

5. Revenue

	2015 £'000	2014 £'000
Continuing operations		
Investment management commission income	**71,494**	81,269
Financial planning and trail income	**20,173**	18,180
Fees	**188,529**	175,867
	280,196	275,316
Other operating income	**3,495**	5,443
Revenue from continuing operations	**283,691**	280,759
Discontinued operations (note 13)		
Commission income	**7,455**	7,345
Trail income	**310**	244
Fees	**1,619**	1,469
	9,384	9,058
Other operating income	**303**	665
Total revenue from discontinued operations	**9,687**	9,723
Total revenue from continuing and discontinued operations	**293,378**	290,482

6. Segmental information

For management reporting purposes the Group currently has a single operating segment. This forms the reportable segment of the Group for the period. Please refer to the Consolidated Income Statement on page 90 and the Consolidated Balance Sheet on page 92, for numerical information.

The Group's operations are carried out in the United Kingdom, Channel Islands and the Republic of Ireland. Income generated in the Republic of Ireland is reported as part of the Investment Management division. All segmental income related to external clients.

The accounting policies of the operating segment are the same as those of the Group.

7. Staff costs

	2015 No.	2014 No.
The average monthly number of employees including Directors by category was:		
Client facing	**956**	986
Discontinued operations	**51**	57
Business support	**735**	762
	1,742	1,805

	Continuing operations		Discontinued operations		Total	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000	**2015 £'000**	2014 £'000
The aggregate payroll costs were as follows including Directors:						
Wages and salaries	**119,261**	114,638	**1,729**	1,736	**120,990**	116,374
Social security costs	**13,621**	13,229	**214**	184	**13,835**	13,413
Share-based payments	**8,938**	8,498	**–**	–	**8,938**	8,498
Termination benefits – redundancy costs	**2,432**	2,269	**–**	–	**2,432**	2,269
Death in service contributions	**948**	933	**27**	67	**975**	1,000
Pension costs						
Defined benefit scheme	**–**	17	**–**	–	**–**	17
Defined contribution scheme	**10,214**	10,030	**121**	144	**10,335**	10,174
	155,414	149,614	**2,091**	2,131	**157,505**	151,745
Staff costs	**152,982**	147,345	**2,091**	2,131	**155,073**	149,476
Redundancy costs	**2,432**	2,269	**–**	–	**2,432**	2,269
	155,414	149,614	**2,091**	2,131	**157,505**	151,745

The Company does not have any employees (2014: none).

8. FSCS levy

In the 2011 Annual Report and Accounts, the Group reported additional levies for the Financial Services Compensation Scheme ('FSCS') totalling £6,058,000. This was the result of the failure of Keydata Investment Services Limited and other intermediaries.

During the current period, the Group received a partial refund of £1,160,000 for the 2011 additional FSCS levies, following the recovery by the FSCS of some of the costs levied in that year.

9. Profit for the period

Profit for the period has been arrived at after charging/(crediting):

	Continuing operations		Discontinued operations		Total	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000	**2015 £'000**	2014 £'000
Net foreign exchange losses/(gains)	**3**	(42)	**–**	–	**3**	(42)
Depreciation of property, plant and equipment (note 18)	**4,317**	4,701	**685**	670	**5,002**	5,371
Amortisation of intangible assets – client relationships (note 16)	**9,219**	13,592	**–**	–	**9,219**	13,592
Amortisation of intangible assets – software (note 16)	**2,546**	2,289	**169**	71	**2,715**	2,360
(Reversal of impairment)/impairment of trade receivables (note 21)	**(89)**	93	**–**	–	**(89)**	93
Auditor's remuneration (see analysis below)	**536**	485	**–**	–	**536**	485

Analysis of Auditor's remuneration

	2015 £'000	2014 £'000
Audit services		
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	**60**	59
Fees payable to the Company's Auditor and their associates for other services to the Group: the audit of the Company's subsidiaries pursuant to legislation	**230**	225
Fees payable to the Company's Auditor for 2014 audit scope changes	**6**	–
Regulatory assurance work	**87**	66
Additional fees for 2014 regulatory assurance work	**20**	–
	403	350
Other services		
Assurance services for external parties	**3**	20
AAF 01/06 – controls assurance report	**67**	65
Interim review	**50**	50
Other assurance services	**13**	–
	536	485

Details of the Group's policy on the use of the Auditor for non-audit services are set out in the Audit Committee Report on page 60.

10. Finance income and finance costs

	2015 £'000	2014 £'000
Finance income		
Dividends from available-for-sale investments	**–**	472
Interest on bank deposits	**907**	1,077
	907	1,549
Finance costs		
Finance cost of deferred consideration	**98**	129
Interest expense on defined pension obligation	**244**	338
Unwinding of discount on provisions	**46**	48
Interest on bank overdrafts	**41**	31
	429	546

11. Other gains and losses

	2015 £'000	2014 £'000
Profit on disposal of available-for-sale investments	**9,712**	–

In December 2014, the Group disposed of its holding of 19,899 shares in Euroclear plc for a cash consideration of £10,147,000 and recognised a gain on disposal of £9,712,000. £9,565,000 of the gain, gross of deferred tax (£1,913,000), was recycled from the revaluation reserve.

12. Taxation

	Continuing operations		Discontinued operations		Total	
	2015 £'000	2014[1] £'000	**2015 £'000**	2014[1] £'000	**2015 £'000**	2014[1] £'000
United Kingdom						
Current tax	**11,463**	8,031	**(1,478)**	360	**9,985**	8,391
Adjustments in respect of prior years	**257**	(50)	**–**	–	**257**	(50)
Overseas tax						
Current tax	**149**	204	**–**	–	**149**	204
Adjustments in respect of prior years	**1**	(1)	**–**	–	**1**	(1)
	11,870	8,184	**(1,478)**	360	**10,392**	8,544
United Kingdom deferred tax						
Current year	**1,398**	(6,246)	**(138)**	–	**1,260**	(6,246)
Adjustments in respect of prior years	**(539)**	(576)	**(1,537)**	–	**(2,076)**	(576)
Tax expense for the period	**12,729**	1,362	**(3,153)**	360	**9,576**	1,722

[1] Restated see notes 2 and 37.

United Kingdom corporation tax is calculated at 20.5% (2014: 22%) of the estimated assessable taxable profit for the period. The Finance Act 2013 reduced the corporation tax to 20% from 1 April 2015 (21% applied from 1 April 2014).

Taxation for other jurisdictions is calculated at the relevant prevailing rates in the respective jurisdictions.

The charge for the year can be reconciled to the profit per the Income Statement as follows:

	2015 £'000	2014[1] £'000
Profit before tax	**61,000**	6,758
Tax at the UK corporation tax rate of 20.5% (2014: 22%)	**12,505**	1,486
Tax effect of:		
Expenses that are not deductible in determining taxable profit	**1,192**	1,177
Share-based payments	**(523)**	(1,104)
Impairment of intangible asset – software	**–**	634
Over provision for tax in previous years	**(281)**	(626)
Lower rates in subsidiaries	**(164)**	(172)
Exempt dividend income	**–**	(33)
Tax expense for the period	**12,729**	1,362
Effective tax rate for the year	**20.9%**	20.2%

[1] Restated see notes 2 and 37.

12. Taxation (continued)

Deferred tax asset/(liability)

In addition to the amount debited to the Income Statement, deferred tax relating to the actuarial gain in the defined benefit pension scheme amounting to £422,000 has been debited to other comprehensive income (2014: £245,000 credited to other comprehensive income relating to the actuarial loss). Deferred tax on share-based payments of £839,000 has been debited to profit and loss reserves (2014: £1,262,000 credited to profit and loss reserves).

The following are the major deferred tax assets/(liabilities) recognised by the Group and movements thereon during the current and prior reporting period:

	Capital allowances £'000	Revaluation £'000	Other short-term timing differences £'000	Retirement benefit obligation £'000	Share-based payments £'000	Capital losses £'000	Intangible asset amortisation £'000	Total £'000
Group								
At 29 September 2013	1,851	(1,913)	1,151	1,835	3,993	–	(6,245)	672
Credit/(charge) in the period to the Income Statement	39	–	621	(533)	801	–	6,029	6,957
Credit/(charge) in the period to the Statement of Comprehensive Income	–	–	–	245	–	–	–	245
Credit/(charge) in the period to the Statement of Changes in Equity	–	–	–	–	1,262	–	–	1,262
At 28 September 2014[1]	1,890	(1,913)	1,772	1,547	6,056	–	(216)	9,136
Credit/(charge) in the period to the Income Statement	46	–	136	(551)	(100)	1,537	(251)	817
Credit/(charge) in the period to the Statement of Comprehensive Income	–	–	–	(422)	–	–	–	(422)
Credit/(charge) in the period to the Statement of Changes in Equity	–	1,913	–	–	(839)	–	–	1,074
At 30 September 2015	**1,936**	**–**	**1,908**	**574**	**5,117**	**1,537**	**(467)**	**10,605**

[1] Restated see notes 2 and 37.

Deferred income taxes are calculated using an expected rate of corporation tax in the UK of 20% (2014: 20%).

The Group has recognised a deferred tax asset in the period in relation to previously unused capital tax losses of £7,686,000 relating to the disposal of the Corporate Advisory and Broking division in 2012, available for offset against future capital profits, as it is now considered probable that there will be future taxable capital profits available.

13. Discontinued operations

On 14 May 2015, the Group announced the decision to dispose of its Stocktrade business for £14 million in cash, payable in full upon completion. The disposal is expected to complete in 2016. As at 30 September 2015, the consideration for the disposal has not been recognised (see note 4a(i)).

The results of the discontinued operation, included in the Consolidated Income Statement, were as follows:

	2015 £'000	2014 £'000
Revenue (note 5)	**9,687**	9,723
Expenses	**(8,413)**	(8,088)
Operating profit	**1,274**	1,635
Costs of separation*	**(11,661)**	–
(Loss)/profit before tax	**(10,387)**	1,635
Attributable tax credit/(expense)	**3,154**	(360)
Net (loss)/profit attributable to discontinued operations (attributable to the equity holders of the parent)	**(7,233)**	1,275

* Costs of separation includes a £10.3 million provision (see note 34) in relation to onerous contracts where it has been determined that the future economic costs exceed the expected future benefits of the contracts and £0.3 million for intangible and tangible asset impairment, based on a value in use calculation (see notes 16 and 18). It is expected that there will be additional separation costs recognised in future periods including the write off of the value in use of the intangible and tangible assets. The carrying value of these assets at 30 September 2015 is £2.0 million.

Stocktrade contributed the following cash flows included within the Consolidated Cash Flow Statement:

Net cash flows from operating activities	2015 £'000	2014 £'000
Net cash flows from operating activities	**1,732**	2,376
Net cash flows from investing activities	**–**	–
Net cash flows from financing activities	**–**	–
Net increase in cash and cash equivalents	**1,732**	2,376

14. Dividends

	2015 £'000	2014 £'000
Amounts recognised as distributions to equity shareholders in the period:		
2013/2014 Final dividend paid 23 March 2015, 6.25p per share (2014: 5.05p per share)	**16,845**	13,438
2014/2015 Interim dividend paid 26 June 2015, 3.75p per share (2014: 3.65p per share)	**10,118**	9,688
	26,963	23,126
Proposed final dividend for the period ended 30 September 2015 of 8.25p (2014: 6.25p) per share based on shares in issue at 24 November 2015 (24 November 2014)	**22,094**	16,632

The proposed final dividend for the period ended 30 September 2015 of 8.25p per share is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Under an arrangement dated 1 April 2011, Computershare Trustees (Jersey) Limited (the 'Trustee') holds 11,482,546 Ordinary Shares representing 4.1% of the Company's called up share capital in relation to employee share schemes, has agreed to waive all dividends due to the Trustee.

15. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	2015 '000	2014 '000
Number of shares		
Basic		
Weighted average number of shares in issue in the period	**272,987**	268,399
Diluted		
Effect of weighted average number of options outstanding for the period	**10,040**	11,726
Effect of estimated weighted average number of shares earned under deferred consideration arrangements	**–**	2,635
Diluted weighted average number of options and shares for the period	**283,027**	282,760
Adjusted[2] diluted		
Effect of full dilution of employee share options which are contingently issuable or have future attributable service costs	**4,727**	2,196
Adjusted[2] diluted weighted average number of options and shares for the period	**287,754**	284,956

a) Continuing operations

	2015 £'000	2014[1] £'000
Basic earnings attributable to the equity holders of the parent		
Profit for the period	**48,271**	5,396
Disposal of available-for-sale investment	**(9,712)**	–
Redundancy costs	**2,432**	2,269
FSCS levy rebate	**(1,160)**	–
Onerous contracts provision	**433**	2,005
Amortisation of intangible assets – client relationships	**9,219**	13,592
Impairment of intangible assets – software	**–**	31,693
Licence provision	**–**	2,034
less tax effect of above	**(248)**	(11,350)
Adjusted[3] basic earnings for the period	**49,235**	45,639

	2015 £'000	2014[1] £'000
Diluted earnings attributable to the equity holders of the parent		
Profit for the period	**48,271**	5,396
Finance costs of deferred consideration[4]	**–**	117
less tax	**–**	(26)
Diluted earnings for the period	**48,271**	5,487
Disposal of available-for-sale investment	**(9,712)**	–
Redundancy costs	**2,432**	2,269
FSCS levy rebate	**(1,160)**	–
Onerous contracts provision	**433**	2,005
Amortisation of intangible assets – client relationships	**9,219**	13,592
Impairment of intangible assets – software	**–**	31,693
Licence provision	**–**	2,034
less tax effect of above	**(248)**	(11,350)
Adjusted[3] diluted earnings for the period	**49,235**	45,730

	2015	2014[1]
Earnings per share		
Basic	**17.7p**	2.0p
Diluted	**17.1p**	1.9p

	2015	2014[1]
Adjusted[3] earnings per share		
Basic	**18.0p**	17.0p
Adjusted[2] diluted	**17.1p**	16.0p

b) Continuing and discontinued operations

	2015 £'000	2014[1] £'000
Basic earnings attributable to the equity holders of the parent		
Profit for the period	**41,038**	6,671
Disposal of available-for-sale investment	**(9,712)**	–
Redundancy costs	**2,432**	2,269
FSCS levy rebate	**(1,160)**	–
Onerous contracts provision	**433**	2,005
Amortisation of intangible assets – client relationships	**9,219**	13,592
Impairment of intangible assets – software	**–**	31,693
Licence provision	**–**	2,034
less tax effect of above	**(248)**	(11,350)
Adjusted[3] basic earnings for the period	**42,002**	46,914

	2015 £'000	2014[1] £'000
Diluted earnings attributable to the equity holders of the parent		
Profit for the period	**41,038**	6,671
Finance costs of deferred consideration[4]	**–**	117
less tax	**–**	(26)
Diluted earnings for the period	**41,038**	6,762
Disposal of available-for-sale investment	**(9,712)**	–
Redundancy costs	**2,432**	2,269
FSCS levy rebate	**(1,160)**	–
Onerous contracts provision	**433**	2,005
Amortisation of intangible assets – client relationships	**9,219**	13,592
Impairment of intangible assets – software	**–**	31,693
Licence provision	**–**	2,034
less tax effect of above	**(248)**	(11,350)
Adjusted[3] diluted earnings for the period	**42,002**	47,005

[1] Restated see notes 2 and 37.

[2] The dilutive shares used for this measure differ from that used for statutory dilutive earnings per share; the future value of service costs attributable to employee share options is ignored and contingently issuable shares for Long Term Incentive Plan ('LTIP') options are assumed to fully vest. The Directors have selected this measure as it represents the underlying effective dilution by offsetting the impact to the calculation of basic shares of the purchase of shares by the Employee Share Ownership Trust ('ESOT') to satisfy options.

[3] Excluding disposal of available-for-sale investment, redundancy costs, FSCS levy rebate, onerous contracts provision, amortisation of client relationships, impairment of intangible assets – software and licence provision.

[4] Finance costs of deferred consideration are added back where the issue of shares is more dilutive than the interest cost saved.

15. Earnings per share (continued)

	2015	2014[1]
Earnings per share		
Basic	**15.0p**	2.5p
Diluted	**14.5p**	2.4p

	2015	2014[1]
Adjusted[3] earnings per share		
Basic	**15.4p**	17.5p
Adjusted[2] diluted	**14.6p**	16.5p

c) Discontinued operations

The denominators used are the same as those detailed above for both basic and diluted earnings from continuing operations.

	2015	2014[1]
Earnings per share		
Basic	**(2.7p)**	0.5p
Diluted	**(2.6p)**	0.5p

	2015	2014[1]
Adjusted[3] earnings per share		
Basic	**(2.6p)**	0.5p
Adjusted[2] diluted	**(2.5p)**	0.5p

1 Restated see notes 2 and 37.

2 The dilutive shares used for this measure differ from that used for statutory dilutive earnings per share; the future value of service costs attributable to employee share options is ignored and contingently issuable shares for Long Term Incentive Plan ('LTIP') options are assumed to fully vest. The Directors have selected this measure as it represents the underlying effective dilution by offsetting the impact to the calculation of basic shares of the purchase of shares by the Employee Share Ownership Trust ('ESOT') to satisfy options.

3 Excluding disposal of available-for-sale investment, redundancy costs, FSCS levy rebate, onerous contracts provision, amortisation of client relationships, impairment of intangible assets – software and licence provision.

16. Intangible assets

	Goodwill £'000	Client relationships £'000	Software costs £'000	Total £'000
Group				
At 29 September 2013	48,637	100,578	46,615	195,830
Additions	–	(53)	7,042	6,989
Disposals	–	–	(2)	(2)
Exchange differences	–	(11)	–	(11)
Remeasurement of deferred purchase consideration in respect of acquisitions in prior periods (note 25)	–	7,532	–	7,532
At 28 September 2014	48,637	108,046	53,655	210,338
Additions	–	(103)	4,874	4,771
Disposals	–	–	(2,704)	(2,704)
Exchange differences	–	(8)	–	(8)
Remeasurement of deferred purchase consideration in respect of acquisitions in prior periods (note 25)	–	6	–	6
At 30 September 2015	**48,637**	**107,941**	**55,825**	**212,403**
Accumulated amortisation and impairment				
At 29 September 2013	–	55,997	12,385	68,382
Amortisation charge for the period	–	13,592	2,360	15,952
Impairment losses for the period	–	–	31,693	31,693
At 28 September 2014	–	69,589	46,438	116,027
Amortisation charge for the period	–	9,219	2,715	11,934
Eliminated on disposal	–	–	(2,688)	(2,688)
Exchange differences	–	(3)	–	(3)
Impairment losses for the period (note 13)	–	–	144	144
At 30 September 2015	**–**	**78,805**	**46,609**	**125,414**
Net book value				
At 30 September 2015	**48,637**	**29,136**	**9,216**	**86,989**
At 28 September 2014	48,637	38,457	7,217	94,311
At 29 September 2013	48,637	44,581	34,230	127,448

Client relationship additions are made up as follows:

	2015 £'000	2014 £'000
Cash paid for businesses or client relationships acquired in previous periods	**3**	116
Shares issued in period	**10,023**	3,064
Other additions	**69**	316
Utilisation of provisions for deferred purchase liability and shares to be issued (note 25)	**(10,198)**	(3,549)
Adjustments to prior year acquisitions	**(103)**	(53)
Total additions	**(103)**	(53)

16. Intangible assets (continued)

The following table splits out the significant client relationship assets:

	Client relationships £'000
Carrying amount at period end	
Midland Investment Management Team 4[1]	1,114
Tilman Brewin Dolphin Limited[2]	17,567
Other Investment Management Teams[3]	10,455
	29,136

[1] Amortisation period remaining 2 years 1 month.

[2] Amortisation period remaining 10 years 10 months.

[3] None of the constituent parts of client relationships relating to the other investment management teams is individually significant in comparison to the total value of client relationships respectively.

17. Impairment

Impairment of purchased software

During the 52 weeks ended 28 September 2014, the Board announced that it had taken the decision to terminate the rollout of a major new stockbroking and wealth management software into the Discretionary Wealth Management business of the Group and only to use it within Stocktrade, the Group's Execution Only division.

The decision to terminate the rollout of the new software into the Group was an indication of impairment. As a result, the recoverable amount in use was compared to the carrying value of the software which resulted in an impairment charge of £31.7 million.

Goodwill and client relationship impairment testing

The table below shows the goodwill allocated to cash-generating units:

	Goodwill £'000
Carrying amount at period end	
Midland Investment Management Team 1	5,149
Midland Investment Management Team 2	5,284
Northern Branch 1	6,432
South East Investment Management Team	9,987
Other Investment Management Teams	21,785
	48,637

In accordance with IFRS, the Group performs impairment testing for goodwill on an annual basis or more frequently when there are indications of impairment. For client relationships, impairment testing is performed at each reporting date.

The recoverable amount for each of the CGUs is the fair value less costs of disposal. The fair value is determined by applying percentages to the funds under management for each CGU. The percentages applied are based on reference to recent observable market transactions. Discretionary funds are valued at 3% and advisory funds are valued at 1% of assets under management.

Sensitivity analysis of the key assumptions

A 10bp absolute change in the value of funds under management used for the purpose of impairment testing impacts the valuation of the CGUs collectively by +/- 3.9% or +/- £23.3 million movement on the estimated value of funds under management of £593.2 million of the CGUs which have goodwill balances as at 30 September 2015.

18. Property, plant and equipment

	Leasehold Improvements £'000	Office Equipment £'000	Motor Vehicles £'000	Computer Equipment £'000	Total £'000
Cost					
At 29 September 2013	12,687	13,681	34	77,771	104,173
Additions	729	236	–	1,820	2,785
Exchange differences	(12)	(35)	(2)	–	(49)
Disposals	(1,601)	(627)	–	(399)	(2,627)
At 28 September 2014	11,803	13,255	32	79,192	104,282
Additions	1,548	336	–	398	2,282
Exchange differences	(10)	(30)	(2)	–	(42)
Disposals	(81)	(122)	–	(32,438)	(32,641)
At 30 September 2015	**13,260**	**13,439**	**30**	**47,152**	**73,881**
Depreciation					
At 29 September 2013	7,230	10,428	14	72,181	89,853
Charge for the period	1,234	1,542	8	2,587	5,371
Exchange differences	(12)	(31)	(1)	–	(44)
Eliminated on disposal	(1,021)	(567)	–	(386)	(1,974)
At 28 September 2014	7,431	11,372	21	74,382	93,206
Charge for the period	1,640	1,117	7	2,238	5,002
Exchange differences	(10)	(25)	(1)	–	(36)
Impairment of assets (note 13)	–	–	–	136	136
Eliminated on disposal	(79)	(98)	–	(32,438)	(32,615)
At 30 September 2015	**8,982**	**12,366**	**27**	**44,318**	**65,693**
Net book value					
At 30 September 2015	**4,278**	**1,073**	**3**	**2,834**	**8,188**
At 28 September 2014	4,372	1,883	11	4,810	11,076
At 29 September 2013	5,457	3,253	20	5,590	14,320

19. Investment in subsidiaries

The following are the Group's subsidiary undertakings, all of which are owned 100% directly or indirectly by the Group and are included in the consolidated financial statements:

Name of Subsidiary	Activity	Country of registration	Class of share capital
ABDA Nominees Limited	Nominee	England & Wales	Ordinary
B.L. Nominees Limited	Dormant	England & Wales	A Ordinary/B Ordinary
BDS Nominees Limited	Nominee	England & Wales	Ordinary
Bell Lawrie Nominees Limited	Dormant	Scotland	Ordinary
Bell Lawrie White & Co. Limited	Dormant	Scotland	Ordinary
BL PEP Nominees Limited	Dormant	Scotland	Ordinary
BLM Nominees Limited	Dormant	Scotland	Ordinary
Brewin (1762) Limited	Dormant	England & Wales	Ordinary
Brewin 1762 Nominees (Channel Islands) Limited	Dormant	Jersey	Ordinary
Brewin 1762 Nominees Limited	Dormant	England & Wales	Ordinary
Brewin Broking Limited	Dormant	England & Wales	Ordinary
Brewin Dolphin (Channel Islands) Limited	Dormant	Jersey	Ordinary
Brewin Dolphin Limited	Investment Manager	England & Wales	Ordinary
Brewin Dolphin MP	Investment Manager	England & Wales	Ordinary
Brewin Dolphin Securities Limited	Dormant	England & Wales	Ordinary
Brewin Nominees (Channel Islands) Limited	Nominee	Jersey	Ordinary
Brewin Nominees Limited	Nominee	England & Wales	Ordinary
Cosmitt Nominees Limited	Dormant	England & Wales	Ordinary
Erskine Nominees Limited	Dormant	Scotland	Ordinary
Four Yards Nominees Limited	Dormant	England & Wales	Ordinary
Giltspur Nominees Limited	Nominee	England & Wales	Ordinary
Hill Osborne Nominees Limited	Dormant	England & Wales	Ordinary
Hilstock PEP (Client) Nominees	Dormant	England & Wales	Ordinary
Hilstock SCP (Client) Nominees	Dormant	England & Wales	Ordinary
New Town (Nominees) Limited	Dormant	Scotland	Ordinary
North Castle Street (Nominees) Limited	Dormant	Scotland	Ordinary
Northgate Nominees Limited	Dormant	England & Wales	Ordinary
Pilgrim Nominees Limited	Dormant	England & Wales	Ordinary
Robert White & Co. Limited	Dormant	Scotland	Ordinary
Shareline (Yorkshire) Limited	Dormant	England & Wales	Ordinary
Smittco Nominees Limited	Dormant	England & Wales	Ordinary
Stable (Nominees) Limited	Dormant	Scotland	Ordinary
Tilman Brewin Dolphin Limited	Investment Manager	Republic of Ireland	Ordinary
Webrich Limited	Trustee	England & Wales	Ordinary
WIS ICS Nominees Limited	Dormant	England & Wales	Ordinary
Wise Nominees Limited	Dormant	England & Wales	Ordinary
Wise Speke Financial Services Limited	Dormant	England & Wales	Ordinary

	2015 £'000	2014 £'000
At start of period	**201,359**	191,699
Change in investment in Brewin Dolphin Limited	**(14)**	1,566
Investment in Tilman Brewin Dolphin Limited	**60**	5,839
Capital contribution Brewin Dolphin Limited re share-based payments	**(7,100)**	2,255
At end of period	**194,305**	201,359

20. Investments

Available-for-sale investments

	Unlisted investments £'000	Total £'000
Group		
At 29 September 2013	10,000	10,000
Impairment recognised in the Income Statement	–	–
Net gain from changes in fair value recognised in equity	–	–
At 28 September 2014	10,000	10,000
Additions	140	140
Impairment recognised in the Income Statement	–	–
Net gain from changes in fair value recognised in equity	–	–
Disposals	(10,000)	(10,000)
At 30 September 2015	**140**	**140**

	2015 £'000	2014 £'000
Group		
Non-current assets		
Available-for-sale investments		
– Equity	**–**	10,000
	–	10,000
Current assets		
Available-for-sale investments		
– Equity	**46**	–
– Asset-backed security	**94**	–
	140	–
Total investments	**140**	10,000

During the period, the Group had sold its unlisted available-for-sale investment of 19,899 ordinary shares of Euroclear plc's share capital (refer to note 11). The holding in Euroclear plc resulted from a £431,000 strategic investment in Crest, the London based settlement system which was taken over by Euroclear plc.

In the period, the Group acquired a holding in an open-ended investment protected cell company incorporated and registered in Guernsey. The valuation of this investment is based on the value of traded life policies held by that company.

In the period, the Group also acquired a USD fixed rate note, due to mature on 23 September 2019. The valuation of this investment is based on the value of traded life policies held by the issuing company.

Trading investments

	Listed investments £'000	Total £'000
Group		
Fair value		
At 28 September 2014	912	912
At 30 September 2015	**945**	**945**

Investments are measured at fair value which is determined directly by reference to published prices in an active market where available.

The trading investments are held in an unregulated subsidiary, Brewin Dolphin MP, whose sole objective is to provide seed capital to the model portfolios managed under an investment mandate by Brewin Dolphin Limited.

21. Trade and other receivables

	2015 £'000	2014[1] £'000
Group		
Non-current: other receivables		
Loans[2]	**442**	1,092
	442	1,092
Current: trade and other receivables		
Trade debtors	**196,290**	245,109
Loans[2]	**487**	337
Other debtors	**1,487**	465
Accrued income	**47,454**	44,643
Prepayments	**8,323**	11,511
	254,041	302,065

	2015 £'000	2014 £'000
Company		
Non-current: other receivables		
Loans[2]	**50**	250
	50	250
Current: trade and other receivables		
Prepayments	**14**	14
Amounts due from subsidiary undertakings	**49,292**	38,905
	49,306	38,919

[1] Restated see notes 2 and 37.

[2] All loans are to staff and the Directors believe that the balances are fully recoverable.

Trade debtors relate to either market or client transactions and are considered to be past due once the date for settlement has passed. The date for settlement is determined when the trade is booked. It is expected that some transactions may become past due in the normal course of business. Fees owed by clients are considered to be past due when they remain unpaid after 30 days after the relevant billing date. Trade debtors that are older than ninety days are provided for unless collateral is held. The maximum exposure to credit risk is the carrying value as above.

Ageing of past due but not impaired trade debtors

	2015 £'000	2014[1] £'000
Not past due	**192,143**	240,910
Up to 15 days past due	**2,255**	2,964
16 to 30 days past due	**520**	154
31 to 45 days past due	**125**	143
More than 45 days past due	**1,004**	698
	196,047	244,869

[1] Restated see notes 2 and 37.

Individually impaired trade debtors

	2015 £'000	2014[1] £'000
Individually impaired trade debtors	**351**	437
Provision for doubtful debts	**(108)**	(197)
	243	240
Trade debtors	**196,290**	245,109

[1] Restated see notes 2 and 37.

Movements in provision for doubtful debts

	2015 £'000	2014 £'000
At start of period	**197**	190
Net (release)/charge to the Income Statement	**(89)**	93
Doubtful debts written off	**–**	(86)
At end of period	**108**	197

No other financial assets of the Group or the Company, other than doubtful debts, are impaired.

22. Cash and cash equivalents

	2015 £'000	2014[1] £'000
Group		
Firm's cash	**149,839**	136,383
	149,839	136,383
Company		
Firm's cash	**259**	624
	259	624

[1] Restated see notes 2 and 37.

Cash and cash equivalents comprises cash at banks. The carrying amount of these assets is approximately equal to their fair value.

At the balance sheet date there were deposits for clients, not included in the Consolidated Balance Sheet, which were held in segregated client bank accounts amounting to £1.42 billion (2014: £1.51 billion).

23. Bank overdrafts

	2015 £'000	2014 £'000
Group		
Bank overdrafts	**16**	1,270
	16	1,270

Bank overdrafts are unsecured and repayable on demand.

24. Trade and other payables

	2015 £'000	2014[1] £'000
Group		
Trade creditors	**187,049**	236,038
Other creditors	**3,988**	5,822
Other taxes and social security	**8,343**	9,557
Accruals	**54,596**	59,362*
Deferred income	**264**	236
Deferred purchase consideration (note 25)	**1,284**	131
	255,524	311,146
Company		
Other creditors	**15**	15
Accruals	**13**	39
Deferred income	**8,999**	5,038
Amounts payable to subsidiary undertakings	**7,336**	7,336
	16,363	12,428

1 Restated see notes 2 and 37.

* In the prior period, the provisions for leasehold dilapidations and social security contributions for share options were included in Accruals. During the current period these have been reclassified to Provisions to better reflect the nature of these balances.

Trade creditors relate to either market or client transactions; the date for settlement is determined when the trade is booked. Other trade and other payable balances principally comprise amounts outstanding for ongoing costs.

25. Shares to be issued including premium and other deferred purchase liabilities

The Group acquires investment businesses and teams of Investment Managers, bringing with them funds under management (the latter classified as the intangible asset client relationships) on deferred purchase terms based on the value of income introduced over, normally, a three year period. The payment is normally made in ordinary shares and these shares typically have to be held for a further three years. At the discretion of the Board these shares can be purchased in the market rather than issued. The estimated likely cost of these shares is reassessed annually, see notes 3(t) and 4. During the period there was a net downward assessment, see note 4(a) of £0.1 million (2014: £7.5 million net upward assessment). The other side of the liability is recorded in intangible assets-client relationships, see note 16.

In the event of the Group being acquired by a third party, provisions exist to renegotiate the deferred purchase consideration into the shares of the acquiring entity, or for the deferred settlement period to be truncated.

As at 28 September 2015

	Shares to be issued inc. premium (Group & Company) £'000	Deferred Purchase Consideration (Group only) £'000	Total £'000
Deferred consideration relating to acquisitions			
Current liability			
Payments relating to 11 cash-generating units	**9,304**	**1,284***	**10,588**
	9,304	**1,284**	**10,588**
Non-current liability			
Payments relating to 1 cash-generating unit payable in 2016	**–**	**–**	**–**
	–	**–**	**–**
Total current and non-current liability	**9,304**	**1,284**	**10,588**

Reconciliation of movement in total of current and non-current liabilities			
Balance as at 28 September 2014	**19,280**	**1,402**	**20,682**
Adjustment to prior year acquisitions (see notes 3(t) and 16)	**(1)**	**7**	**6**
Unwind of discount charged to the Income Statement	**93**	**5**	**98**
Utilised in period	**(10,068)**	**(130)**	**(10,198)**
Balance as at 30 September 2015	**9,304**	**1,284**	**10,588**

* Current liability for Deferred Purchase Consideration is included in the Consolidated Balance Sheet within Trade and Other Payables.

25. Shares to be issued including premium and other deferred purchase liabilities (continued)

As at 28 September 2014

	Shares to be issued inc. premium (Group & Company) £'000	Deferred Purchase Consideration (Group only) £'000	Total £'000
Deferred consideration relating to acquisitions			
Current liability			
Payments relating to 3 cash-generating units	10,068	131*	10,199
	10,068	131	10,199
Non-current liability			
Payments relating to 10 cash-generating units payable in 2015/16	9,212	1,271	10,483
	9,212	1,271	10,483
Total current and non-current liability	19,280	1,402	20,682
Reconciliation of movement in total of current and non-current liabilities			
Balance as at 29 September 2013	14,911	1,659	16,570
Adjustment to prior year acquisitions (see notes 3(t) and 16)	7,322	210	7,532
Unwind of discount charged to the Income Statement	123	6	129
Utilised in period	(3,076)	(473)	(3,549)
Balance as at 28 September 2014	19,280	1,402	20,682

* Current liability for Deferred Purchase Consideration is included in the Consolidated Balance Sheet within Trade and Other Payables.

26. Financial instruments and risk management

Overview

This note presents information about the Group's exposure to each of the financial instrument key risks (market risk, credit risk and liquidity risk), the Group's policy and procedures for measuring and managing risk and the Group's management of capital.

Risk management

The Board of Directors have overall responsibility for establishing and overseeing the Group's Risk Management Framework and risk appetite.

The Board have established a clear relationship between the Group's strategic objectives and the level of capital which the Board are prepared to place at risk through a Risk Appetite Statement. The Risk Appetite Statement outlines the nature and quantum of risk that the Board wishes the Group to bear (its 'risk appetite') in order to achieve its strategic objectives whilst remaining within all regulatory constraints and its own defined levels of capital and liquidity. The Board reviews the statement and related qualitative and quantitative measures on at least an annual basis to ensure the document continues to reflect the Board's appetite for risk within the context of the environment the Group operates within.

The Group's Board Risk Committee provides oversight of the adequacy of the Group's Risk Management Framework based on the risks to which the Group is exposed. They monitor how management comply with the Group's risk management policies and procedures. They are assisted in the discharge of this duty by the Group's Risk & Compliance Department which has responsibility for monitoring the overall risk environment of the Group. The Board Risk Committee also regularly monitors exposure against the Group's Risk Appetite.

The Group's Audit Committee is responsible for overseeing the financial statements and working closely with the Board Risk Committee, for both review and oversight of internal controls. The Audit Committee is assisted in the discharge of its obligations by Internal Audit who undertake periodic and ad-hoc reviews on the effectiveness of controls and compliance with risk management policies.

The Group's risk management policies are intended to ensure that risks are identified, evaluated and subject to ongoing monitoring and mitigation (where appropriate). The risk policies also serve to set the appropriate control framework, the adequacy and effectiveness of which is also subject to ongoing testing and review. The aim is to promote a robust risk culture with employees across the Group understanding their role and obligations under the framework.

Capital structure and capital management

The capital structure of the Group and Company consists of issued share capital, reserves and retained earnings as disclosed in the Consolidated and Company Statement of Changes in Equity.

Capital generated from the business is both reinvested in the business to generate future growth and returned to shareholders, principally in the form of dividends. Consideration is given to regulatory capital requirements and to ensure the Group is sufficiently robust to withstand periods of market stress.

There were no changes in the Group's approach to capital management during the period.

Regulatory capital requirements

The Group conducts an Internal Capital Adequacy Assessment Process ('ICAAP'), as required by the Financial Conduct Authority ('FCA') to assess the appropriate amount of regulatory capital to be held by the Group. There are two regulated entities in the Group: Brewin Dolphin Limited ('BDL') regulated by the FCA and Tilman Brewin Dolphin Limited regulated by the Central Bank of Ireland. The Jersey branch of BDL is regulated by the Jersey Financial Services Commission.

The Pillar II capital assessment of the ICAAP is the Board of Directors' opinion of the level of capital the Group should hold against the risks to which the Group is exposed. This takes into the account the Group's Principal Risk Register which is updated on a regular basis. The ICAAP is kept updated throughout the year to take account of changes to the Group's Principal Risks and for any material changes to strategy or business plans. The ICAAP is discussed and approved at a Brewin Dolphin Holdings PLC Board meeting at least annually.

Regulatory capital adequacy is monitored by management. The Group uses the standardised approach to Credit Risk to calculate Pillar I requirements. The Group complied with the FCA's regulatory capital requirements throughout the period.

The regulatory capital resources of the Group were as follows:

	2015 £'000	2014[1] £'000
Called up share capital	**2,793**	2,745
Share premium account	**142,135**	139,420
Own shares	**(28,153)**	(16,045)
Revaluation reserve	**–**	7,652
Merger reserve	**70,553**	61,380
Profit and loss account	**31,823**	16,822
	219,151	211,974
Shares to be issued	**9,304**	19,280
Regulatory capital resources before deductions	**228,455**	231,254
Deduction – Intangible assets (net of deferred tax liability)	**(83,076)**	(90,019)
Deduction – Free deliveries	**(88)**	(172)
Total regulatory capital resources after deductions	**145,291**	141,063

[1] The comparative balances have not been restated for the impact of the adjustments in notes 2 and 37, as these adjustments do not impact previously reported regulatory capital resources.

Information disclosure under Pillar 3 of the Capital Requirements Directive will be published on the Group's website before 31 December 2015 at www.brewin.co.uk.

Significant accounting policies

Details of the significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial asset and financial liability, are disclosed in note 3(r) to the financial statements.

26. Financial instruments and risk management (continued)

Categories of financial instruments

	Carrying value 2015 £'000	Carrying value 2014[1] £'000
Group		
Financial assets		
Fair value through profit and loss – held for trading	**945**	912
Loans and receivables (including cash and trade receivables)	**395,999**	450,581
Available-for-sale investments	**140**	10,000
	397,084	461,493
Financial liabilities		
Shares to be issued including premium	**9,304**	19,280
Amortised cost	**233,445**	287,650
	242,749	306,930

[1] Restated see notes 2 and 37.

	Carrying value 2015 £'000	Carrying value 2014 £'000
Company		
Financial assets		
Loans and receivables (including cash and trade receivables)	**49,601**	39,779
	49,601	39,779
Financial liabilities		
Shares to be issued including premium	**9,304**	19,280
Amortised cost	**7,363**	7,390
	16,667	26,670

The carrying value approximates to the fair value of the financial assets and liabilities held.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's market risk management is to both control and manage exposure within the Group's risk appetite whilst accepting the inherent risk of market fluctuations.

The Group undertakes investment management and stockbroking activities on an agency basis on behalf of its clients. The Group holds financial instruments as principal, but does not trade as principal. All trades are matched in the market (see note 20).

The Group deals in foreign currencies on a matched basis on behalf of clients, limiting foreign exchange exposure. The total net foreign exchange exposure resulting from income yet to be converted to sterling at the year end was a debtor of £495,000 (2014: £122,000).

At the period end Tilman Brewin Dolphin Limited ('TBD') had net assets of £3.6 million (2014: £4.7 million) denominated in its local currency (Euros). The Group is exposed to translation risk in respect of the foreign currency value of the net assets of TBD.

The Group does not hold any derivatives (2014: none).

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk during the period.

Equity price risk

The Group is exposed to equity risk arising from its available-for-sale investments and those held-for-trading. Equity investments designated as non-current available-for-sale investments are held for strategic purposes rather than trading purposes and the Group does not actively trade in these investments.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date.

If equity prices had been 5% higher/lower:

- Pre-tax profit for the period ended 30 September 2015 would have been £47,000 higher/lower (2014: £45,600 higher/lower) due to changes in the value of held-for-trading investment; and
- Other equity reserves as at 30 September 2015 would increase/decrease by £2,300 (2014: increase/decrease by £500,000) pre-tax for the Group as a result of the changes in fair value of available-for-sale investments.

The Group's sensitivity to equity prices has not changed significantly from the prior period.

Interest rate risk

The Group is exposed to interest rate risk in respect of the Group's cash and in respect of client deposits. The Group holds client deposits on demand (variable interest rate). At the end of the period a 1% increase in base rate would have increased pre-tax profitability by £939,000 (2014: £784,000).

Credit risk

Credit risk refers to the risk that a client or other counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises principally from the settlement of client and market transactions ('settlement risk') and cash deposited at banks.

Settlement risk

Exposures to settlement risk are spread across a large number of counterparties and clients. A delivery versus payment ('DVP') settlement method is also used for the majority of transactions, ensuring that securities and cash are exchanged within a short period of time. Consequently, no residual maturity analysis is presented. The Group also holds collateral in the form of cash, as well as equity and bonds which are quoted on recognised exchanges. This collateral is held, principally, in Group nominee accounts.

Concentration of credit risk

The Group has no significant concentration of credit risk with the exception of cash where the majority is spread across four major banks.

Maximum exposure

The maximum exposure to credit risk at the end of the reporting period is equal to the balance sheet figure.

Credit exposure

Credit exposure in relation to settlement risk is monitored daily. The Group's exposure to large trades is limited with an average bargain size in the current period of £11,060 (2014: £11,700); there are additional controls for high value trades.

Impaired assets

The total gross amount of individually impaired assets in relation to trade receivables at the period end was £351,000 (2014: £437,000). Collateral valued at fair value by the Group in relation to these impaired assets was £243,000 (2014: £240,000). This collateral is stock held in the clients' account which per our client terms and conditions can be sold to meet any unpaid liabilities falling due. The net difference has been provided as a doubtful debt (see note 21). Note 21 also details amounts past due but not impaired.

Non-impaired assets

Financial assets that are neither past due nor impaired in respect of trade receivables relate mainly to bonds and equity trades quoted on a recognised exchange, are matched in the market, and are either traded on a DVP basis or against a client's portfolio in respect of which any one trade would normally be a small percentage of the client's collateral held in the Group nominee. At the period end no financial assets that would otherwise be past due or impaired had been renegotiated (2014: none).

Loans to employees are repayable over 5 to 10 years (see note 21).

26. Financial instruments and risk management (continued)

The credit risk on liquid funds, cash and cash equivalents, is limited as deposits are diversified across a panel of major banks. This ensures that the Group is not excessively exposed to an individual counterparty. The Group's policy requires cash deposits to be placed with banks with a minimum short-term credit rating of A-2 (S&P)/P-2 (Moody's)/F-2 (Fitch), excluding Tilman Brewin Dolphin Limited. Requirements and limits are reviewed on a regular basis. The Group's allocation of cash and cash equivalents to S&P rating grades has been outlined in the below table:

	A-1+	A-1	A-2	Below A-2
Cash and cash equivalents	0.2%	67.2%	30.8%	1.8%*

* Held by Tilman Brewin Dolphin Limited.

The Group maintains a set of Credit Risk policies which are regularly reviewed by the Board. A due diligence review is also performed on all counterparties on an annual basis, at a minimum. The investment of cash is managed by the Treasury Department.

There has been no material change to the Group's exposure to credit risk during the period.

Liquidity risk

Liquidity risk refers to the risk that the Group will be unable to meet its financial obligations as they fall due. The Group maintains adequate cash resources to meet its financial obligations at all times. All client cash deposits are repayable on demand. At 30 September 2015, the Group had access to an unsecured overdraft facility of £12 million (2014: £15 million).

The Group has a Liquidity Policy which is reviewed by the Board regularly. As the Group normally deals with the market on a DVP basis, liquidity risk is monitored by daily exception reports of unmatched items past settlement date and managed by the Credit Control Department.

There has been no change to the Group's exposure to liquidity risk or the manner in which it manages and measures the risk during the period.

The following are the undiscounted cash flows, with the exception of shares to be issued, of financial liabilities based on the earliest date on which the Group can be required to pay.

As at 30 September 2015

	Up to 1 month £'000	1 month to 3 months £'000	3 months to 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Group						
Financial liabilities						
Shares to be issued including premium	**–**	**9,304**	**–**	**–**	**–**	**9,304**
Amortised cost	**188,833**	**26,876**	**17,135**	**601**	**–**	**233,445**
	188,833	**36,180**	**17,135**	**601**	**–**	**242,749**

As at 28 September 2014

	Up to 1 month £'000	1 month to 3 months £'000	3 months to 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Group						
Financial liabilities						
Shares to be issued including premium	–	10,068	–	9,212	–	19,280
Amortised cost[1]	240,383	28,305	18,789	173	–	287,650
	240,383	38,373	18,789	9,385	–	306,930

1 Restated see notes 2 and 37.

As at 30 September 2015

	Up to 1 month £'000	1 month to 3 months £'000	3 months to 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Company						
Financial liabilities						
Shares to be issued including premium	**–**	**9,304**	**–**	**–**	**–**	**9,304**
Amortised cost	**7,363**	**–**	**–**	**–**	**–**	**7,363**
	7,363	**9,304**	**–**	**–**	**–**	**16,667**

As at 28 September 2014

	Up to 1 month £'000	1 month to 3 months £'000	3 months to 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Company						
Financial liabilities						
Shares to be issued including premium	–	10,068	–	9,212	–	19,280
Amortised cost	7,390	–	–	–	–	7,390
	7,390	10,068	–	9,212	–	26,670

Fair value measurement recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than the quoted price included within Level 1 that are observable for the asset or a liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from formal valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined.

	Fair value as at 30 September 2015 £'000	Fair value as at 28 September 2014 £'000	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Level 1					
Trading investments	**945**	912	Quoted bid prices in an active market	n/a	n/a
Level 3					
Available-for-sale investments – Equity	**46**	–	The valuation is based on published monthly NAVs.	n/a	n/a
Available-for-sale investments – Debt	**94**	–	The valuation is based on the discounted expected cash flows, which is extracted from the latest audited accounts. A marketability discount is applied as this investment is highly illiquid.	Marketability discount ranging between 30–50%	As the marketability discount increases the valuation decreases.
Shares to be issued including premium	**9,304**	19,280	The valuation of the consideration is based on actual earnings. The terms are agreed as part of each acquisition.	n/a	n/a
Deferred purchase consideration	**1,284**	1,402	The valuation of the consideration is based on actual earnings. The terms are agreed as part of each acquisition.	n/a	n/a

26. Financial instruments and risk management (continued)

Sensitivity analysis

A sensitivity analysis of the significant unobservable inputs used in valuing the Level 3 financial instruments is set out below:

Financial asset/financial liability	Assumption	Change in assumption	Impact on valuation
Current assets – Available-for-sale investments – Equity	Marketability discount	Increase by 5%	Decrease by £7,000

The valuation of the shares to be issued including premium and deferred purchase consideration is based on actual performance, not on assumptions. Therefore, no sensitivity analysis has been performed.

Fair value hierarchy

As at 30 September 2015

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Held for trading				
Equities	**945**	**–**	**–**	**945**
Available-for-sale financial assets				
Equities	**–**	**–**	**46**	**46**
Asset-backed securities	**–**	**–**	**94**	**94**
Total	**945**	**–**	**140**	**1,085**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Held for trading				
Equities	912	–	–	912
Available-for-sale financial assets				
Equities	–	–	10,000	10,000
Total	912	–	10,000	10,912

Reconciliation of Level 3 fair value measurement of financial assets:

Available-for-sale

	Unquoted equities £'000
Balance at 28 September 2014	10,000
Disposal	(10,000)
Addition	140
Balance at 30 September 2015	**140**

The table above only includes financial assets. The only financial liabilities subsequently measured at fair value on level 3 fair value measurement represent shares to be issued and deferred purchase consideration. No gain or loss for the period relating to this has been recognised in profit or loss.

27. Retirement benefit obligation

The Group operates a registered Defined Contribution Scheme (the Brewin Dolphin Senior Staff Pension Fund) and a registered Defined Benefit Scheme (the Brewin Dolphin Limited RBS) in the UK which both offer pensions in retirement and death benefits to members. The disclosures provided are in respect of the Defined Benefit Scheme only (the 'Scheme').

Pension benefits are related to the members' final salary at retirement and their length of service. The pension is payable for life and has elements increasing in payment in line with inflation up to a maximum of 5% p.a. Since 1 April 2003 the Scheme has been closed to new members. Members under age 55 at 1 April 2004 ceased to accrue further service in the Scheme from that date. Contributions to the Scheme for the year beginning October 2015 are expected to be £3.0 million.

The Scheme is an HMRC registered pension scheme and is subject to standard UK pensions and tax law. This means that the payment of contributions and benefits are subject to the appropriate tax treatments and restrictions and the Scheme is subject to the Scheme funding requirements outlined in Section 224 of the Pensions Act 2004.

The Scheme was established under trust and is governed by the Scheme's Trust Deed and Rules. In accordance with UK trust and pensions law, the Scheme has appointed Trustees. Although the Group bears the financial cost of the Scheme, the responsibility for the management and governance of the Scheme lies with the Trustees, who have a duty to act in the best interest of members at all times.

Valuation for funding purposes

The valuation as at 31 December 2011 and provisional valuation as at 31 December 2014:

	31 December 2011 £'000	Provisional valuation 31 December 2014 £'000
Value of scheme assets	58,468	81,638
Actuarial value of scheme liabilities in respect of		
In-service members	(25,135)	(17,598)
Deferred pensioners	(23,689)	(31,459)
Current pensioners and dependants	(29,836)	(43,926)
	(78,660)	(92,983)
Scheme deficit	(20,192)	(11,345)
Funding level	74%	88%

The last formal scheme funding valuation of the Scheme was carried out at 31 December 2011. As at the date of authorisation of these financial statements, the formal scheme funding valuation as at 31 December 2014 has not yet been finalised and any changes to the funding assumptions are in the process of being agreed by the Company and Trustees. The funding position at 31 December 2014 shown is based on funding assumptions agreed for the 2011 valuation updated for the market conditions as at 31 December 2014.

The Scheme is valued for funding purposes at intervals of not more than three years by an independent qualified actuary.

The Group and the Scheme's Trustees agreed a deficit reduction plan following the 2011 valuation and it was agreed that Brewin Dolphin Limited would pay contributions of £250,000 per month from 1 January 2013 with a view to eliminate the deficit by 31 March 2020. Brewin Dolphin Limited has also agreed to pay contributions at 25.6% of pensionable salaries in respect of future benefit accrual for the in-service members of the Scheme. From 1 October 2014, there is no longer any future benefit accrual following the retirement of the final in-service member. The next actuarial valuation of the Scheme is due as at 31 December 2014, a revised level of contributions in respect of future benefit accrual for in-service members if any, and a revised deficit reduction plan will be considered as part of this exercise. The administration costs of the Scheme, including investment management fees and Scheme levy payments are currently paid by Brewin Dolphin Limited as they fall due.

Summary of amounts recognised in the financial statements under IAS 19

In the consolidated financial statements, the Group accounts for pension costs, other post-retirement benefits and related redundancy provisions in accordance with IAS 19 'Employee Benefits'. Under the standard, the difference between the market values of Scheme assets and the present value of Scheme liabilities is reported as a surplus (to the extent a surplus may be seen) or deficit in the Balance Sheet. The accounting value is different from the result obtained using the funding basis.

The accounts show the Scheme has a smaller deficit than that revealed by the last funding valuation. The main reasons for this is the difference between the experience of the Scheme over the period from 1 January 2012 to 30 September 2015 and that assumed for the purposes of the funding valuation as at 31 December 2011, and the differences in the assumptions used to value the liabilities in the accounting and funding valuations for the Scheme.

In the preparation of the valuations under IAS 19 referred to in this note, the actuary has used the assumptions indicated below, which the Group has directed for the purposes of accounting and disclosure under IAS 19.

27. Retirement benefit obligation (continued)

Risks

The main risks to which the Group is exposed in relation to the pension scheme are:

Mortality risk – the assumptions adopted by the Group make allowance for future improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, this would result in greater payments from the Scheme and consequently increases in the Scheme's liabilities. The Group and the Scheme's Trustees review the mortality assumption on a regular basis to minimise this risk.

Investment risk – the Scheme invests its assets in a diversified portfolio of assets. There are risks that the assets underperform relative to increases in the value of the Scheme's liabilities increasing the cost to the Group of the benefit provision.

There is a risk that the assets invested in do not sufficiently match the characteristics of the Scheme's liabilities and so a fall in asset values is not similarly matched by a fall in the value of the liabilities. While certain assets are chosen that match the characteristics of the Scheme's liabilities and membership profile, the Scheme currently invests in a high proportion of equity and assets that are not expected to closely match the majority of the Scheme's liabilities. The Scheme's Trustees review the performance of the assets and structure of the portfolio on a regular basis to ensure the risks being taken under investment are commensurate with normal Trustee principles and the ability of the Group to mitigate adverse investment experience.

Price inflation risk – some of the Scheme's benefits increase in line with price inflation and so if inflation is greater than expected, the costs of providing these benefits will increase. The Scheme holds government bonds with payments also linked to inflation to assist in mitigating this risk.

Scheme investment strategy and level of matching

The Scheme's investment strategy is to invest broadly 85% in higher return seeking assets (e.g. equities, high yielding bonds etc.) and 15% in matching assets (e.g. fixed interest gilts and index-linked gilts). The long-term objective is to target an investment return of 2.55% p.a. (net of fees) in excess of a portfolio of gilts that closely matches the behaviour of the Scheme's liabilities. The Scheme also has a liability matching overlay to mirror the majority of the movement in the matching portfolio. This strategy reflects the Scheme's liability profile and the Trustees' and Group's attitude to risk. The asset allocations as at 30 September 2015 and 28 September 2014 are provided below, disaggregated between assets that have a quoted market price in an active market and those that are unquoted.

None of the assets of the pension schemes are invested in the Group's own financial instruments and none of the assets are properties or other assets used by the Group.

A full actuarial valuation of the Scheme was carried out as at 31 December 2014 and has been updated to 30 September 2015 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms) as follows:

	As at 30 September 2015	As at 28 September 2014
Discount rate	**3.80%**	3.90%
RPI inflation assumption	**3.20%**	3.10%
CPI inflation assumption	**2.20%**	2.10%
Rate of increase in salaries	**3.20%**	3.10%
LPI pension increases	**3.10%**	3.00%

Average assumed life expectancies for members on retirement at age 65.		
Retiring today:		
Males	**88.6 years**	88.9 years
Females	**89.9 years**	90.1 years
Retiring in 20 years time:		
Males	**89.9 years**	90.2 years
Females	**91.4 years**	91.6 years

The assets in the scheme were:

	2015 £'000	2014 £'000
Equities and property (quoted)	**33,146**	29,924
Fixed interest bonds (quoted)	**26,353**	26,662
Index linked bonds (quoted)	**8,764**	7,388
Liability hedging (quoted)	**2,326**	1,441
Currency hedging (quoted)	**(645)**	161
Alternatives (quoted)	**9,932**	6,530
Alternatives (unquoted)	**–**	128
Cash and cash equivalents	**2,035**	3,441
Fair value of scheme assets	**81,911**	75,675
The actual return on assets over the period was:	**6,026**	8,439
Present value of funded obligations	**(84,780)**	(83,410)
Fair value of scheme assets	**81,911**	75,675
Deficit in funded scheme	**(2,869)**	(7,735)
Present value of unfunded obligations	**–**	–
Unrecognised actuarial gains/(losses)	**–**	–
Adjustment in respect of asset ceiling and minimum funding requirement	**–**	–
Net liability in balance sheet	**(2,869)**	(7,735)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	2015 £'000	2014 £'000
Benefit obligation at beginning of period	**83,410**	75,673
Service cost	**–**	17
Interest cost	**3,199**	3,280
Contributions by scheme participants	**–**	10
Net remeasurement – demographic	**(721)**	–
Net remeasurement losses – financial	**2,771**	6,399
Net remeasurement (gains)/losses – experience	**(1,089)**	321
Benefits paid	**(2,790)**	(2,290)
Benefit obligation at end of period	**84,780**	83,410

Reconciliation of opening and closing balances of the fair value of plan assets

	2015 £'000	2014 £'000
Fair value of plan assets at beginning of period	**75,675**	66,496
Interest income on scheme assets	**2,955**	2,942
Return on assets, excluding interest income	**3,071**	5,497
Contributions by employers	**3,000**	3,020
Contributions by scheme participants	**–**	10
Benefits paid	**(2,790)**	(2,290)
Fair value of scheme assets at end of year	**81,911**	75,675

27. Retirement benefit obligation (continued)

The amounts recognised in the Income Statement are:

	2015 £'000	2014 £'000
Service cost	–	17
Net interest on the net defined benefit liability	244	338
Settlements and curtailments	–	–
Total expense	244	355

Remeasurements of the net defined benefit liability to be shown in other comprehensive income ('OCI')

	2015 £'000	2014 £'000
Net remeasurement – demographic	(721)	–
Net remeasurement – financial	2,771	6,399
Net remeasurement – experience	(1,089)	321
Return on assets, excluding interest income	(3,071)	(5,497)
Changes in the effect of the asset ceiling excluding interest income	–	–
Total remeasurement of the net defined benefit liability to be shown in OCI	(2,110)	1,223

Sensitivity analysis

It should be noted that the methodology and assumptions prescribed for the purposes of IAS 19 mean that the disclosures will be inherently volatile, varying greatly according to investment market conditions at each accounting date.

A sensitivity analysis of the principal assumptions used to measure the Scheme liabilities. The duration of the pension scheme liabilities is in the region of twenty years.

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Decrease by 0.25%	Increase by £4.2m
Rate of inflation (RPI and CPI)	Increase by 0.25%	Increase by £3.1m
Assumed life expectancy	Members live 1 year longer	Increase by £3.1m

The sensitivity figures have been calculated using the same method used for the calculation of the disclosed liabilities as at 30 September 2015. There are no material limitations to the method used to calculate the sensitivities relative to the disclosed liabilities.

28. Called up share capital

	2015 No.	2014 No.	2015 £'000	2014 £'000
Group and Company				
Authorised:				
Ordinary shares of 1p each	**500,000,000**	500,000,000	**5,000**	5,000
Ordinary shares of 1p each				
Allotted, issued and fully paid:	**279,262,045**	274,452,745	**2,793**	2,745
Allotted, issued Dec 2007 at 162.5p, nil paid last subscription date Dec 2014	**–**	264,585	**–**	–
Allotted, issued July 2008 at 104p, nil paid last subscription date June 2015	**–**	249,991	**–**	–
Allotted, issued Dec 2008 at 108.6p, nil paid last subscription date Dec 2015	**36,832**	101,288	**–**	–
	279,298,877	275,068,609	**2,793**	2,745

	Date	No. of Fully Paid Shares	No. of Nil Paid Shares	Exercise/Issue Price (pence)	Called up share capital £'000	Share premium account £'000	Total £'000
At 28 September 2014		274,452,745	615,864	–	2,745	139,420	142,165
Settlement of deferred consideration	4 December 2014	282,933	–	289.2p	3	815	818
Settlement of deferred consideration: Tilman Brewin Dolphin Limited	9 December 2014	3,191,058	–	288.45p	32	–	32
Issue of options	Various	756,277	–	98p– 175.25p	8	1,154	1,162
Nil paid shares now paid up	Various	579,032	(579,032)	104p– 162.5p	5	754	759
Cost of issue of shares	Various	–	–	–	–	(8)	(8)
At 30 September 2015		**279,262,045**	**36,832**	**–**	**2,793**	**142,135**	**144,928**

The share premium arising on the shares issued on the settlement of the deferred consideration for Tilman Brewin Dolphin Limited has been credited to the Merger Reserve.

28. Called up share capital (continued)

The following options have been granted and remain outstanding:

	Exercise price	Grant date	2015 No.	2014 No.
Approved share option	98p	December 2004	**–**	10,425
Approved share option	145p	December 2005	**10,000**	119,602
Approved share option	175.25p	November 2006	**156,676**	230,787
Approved share option	168p	November 2007	**98,976**	125,476
Unapproved share option[1]	162.5p	December 2007	**–**	467,637
Unapproved share option[1]	104p	July 2008	**–**	543,250
Approved share option	103.5p	November 2008	**65,000**	90,800
Unapproved share option[1]	108.6p	December 2008	**27,624**	138,120
Approved share option	165.7p	December 2009	**193,714**	648,271
Deferred Profit Share Plan[2]	Nil	December 2010	**337,375**	537,100
Approved share option	148p	December 2010	**280,228**	307,228
Approved share option	131.3p	December 2011	**66,250**	77,250
Deferred Profit Share Plan[2]	Nil	December 2011	**695,032**	4,272,775
Deferred Profit Share Plan[2]	Nil	December 2012	**2,587,552**	2,669,482
Deferred Profit Share Plan[2]	Nil	December 2013	**1,671,828**	1,708,057
Equity Award Plan[2]	Nil	December 2013	**1,684,365**	1,702,095
Long Term Incentive Plan	Nil	February 2014	**897,935**	897,935
Deferred Profit Share Plan[2]	Nil	December 2014	**2,091,804**	–
Equity Award Plan[2]	Nil	December 2014	**2,386,521**	–
Long Term Incentive Plan	Nil	December 2014	**1,667,624**	–
Equity Award Plan[2]	Nil	January 2015	**28,070**	–
Total options outstanding			**14,946,574**	14,546,290

[1] Under the Senior Employee Matching Share Purchase Scheme.

[2] These options do not count towards dilution limits because the shares have been purchased in the market by the Brewin Dolphin Holdings PLC Share Ownership Trust.

The rights and obligations attached to the ordinary shares of 1 penny each in the Company are as follows:

- In terms of voting every member who is present in person or by proxy at a general meeting of the Company shall have one vote on a show of hands and one vote for every share held on a poll.
- As regards dividends, all shares in issue at the period end rank pari passu for dividends. Shareholders shall be entitled to receive dividends following declaration by the Company. Dividends are not payable in respect of the 36,832 (2014: 615,864) nil paid shares held by the Trustees in Brewin Dolphin Holdings PLC Employee Share Ownership Trust (the 'Trust').
- The Trustees of the Brewin Dolphin Holdings PLC Employee Share Ownerships Trust have agreed to waive all dividends due on the shares held in the Trust, 11,482,546 ordinary shares as at 30 September 2015 (2014: 8,392,747).
- Employees are restricted from any transfer of shares of the Company that would result in a change in beneficial holding during the period between the end of the Group's financial year end each year and the date on which the Group announces its preliminary final results. This restriction also applies during the period between the end of the Group's financial half year and the announcement of the Group's half year results. Further restrictions may apply under the Disclosure and Transparency rules of the Financial Conduct Authority in respect of certain employees.
- There are no special rights for the ordinary shares in relation to control of the Company.

On a change of control, the following criteria will apply:

- 2004 Approved Share Option Schemes: Options can be exercised within 30 days of control being obtained. The options will lapse after six months.
- 2002 Senior Employee Matching Share Scheme: options can be exercised within six months of the takeover, after such period the options will lapse.
- Long Term Incentive Plan: Awards will vest upon change of control and options will become exercisable from the date of change of control and will remain exercisable for one month, after which the options will lapse.
- Deferred Profit Share Plan: A replacement award could be made over shares in the acquiring Company, otherwise the shares will vest in full and can be exercised within six months of control being obtained.
- Share Incentive Plan: No Matching Shares shall be forfeited as a consequence of a change of control.
- Equity Award Plan: Awards will vest upon change of control and options will become exercisable from the date of change of control and will remain exercisable for one month, after which the options will lapse.

All nil paid shares are held in the Trust up until they become fully paid shares. Nil paid shares were issued as part of the Senior Employee Matching Share Purchase Scheme, details of which are set out on page 69 of the Directors Remuneration Report and also note 31. The issue of nil paid shares to the Trust does not reduce shareholders' funds as the individuals subscribe at the market value on the day of issue.

29. Own shares

The own shares reserve represents the matching shares purchased in the market and held by the Brewin Dolphin Share Incentive Plan and shares purchased by the Brewin Dolphin Holdings PLC Employee Share Ownership Trust.

	Number of shares	£'000
Balance at 30 September 2013	8,776,218	12,734
Acquired in the period	2,688,205	7,963
Own shares disposed of on exercise of options	(2,812,808)	(4,652)
Balance at 28 September 2014	8,651,615	16,045
Acquired in the period	6,915,245	19,999
Own shares disposed of on exercise of options	(3,892,933)	(7,891)
Balance at 30 September 2015	**11,673,927**	**28,153**

30. Merger Reserve

	£'000
Group	
Balance at 28 September 2014	61,380
Balance at 30 September 2015	**70,553**

	£'000
Company	
Balance at 28 September 2014	61,665
Balance at 30 September 2015	**70,838**

The merger reserve is used where more than 90% of the share capital in a subsidiary is acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under Section 612 of the Companies Act 2006. £38.4 million of the Merger Reserve arose on a placing of the Company's shares and forms part of the distributable reserves.

The share premium on the shares issued for the settlement of deferred consideration for Tilman Brewin Dolphin Limited has been credited to the Merger Reserve in the period.

31. Share-based payments

Equity-settled share option schemes

The Group has a number of share incentive plans for the granting of non-transferable options to employees.

The details of the plans are as follows:

Scheme	Vesting period	Exercisable	Expiry Date
1994 Approved Executive Share Option Scheme			
The mid market average on the 3 dealing days immediately preceding date of grant	From the fifth anniversary of the date of grant subject to the performance conditions being met	5 to 10 years from date of grant	The tenth anniversary of the date of grant
2004 Approved Share Option Scheme			
The mid market average on the 3 dealing days immediately preceding date of grant	After the third anniversary of the date of grant provided the performance condition has been met with an opportunity for retesting after one further year	5 to 10 years from date of grant	The tenth anniversary of the date of grant
2002 Senior Employee Matching Share Purchase Scheme			
The average closing mid market price on the 3 dealing days immediately preceding date of grant	Matching Option: From the fourth anniversary of the date of grant, upon the payment in full for the Purchased Shares to which the Matching Option relates and subject to satisfaction of a performance condition determined prior to the date of grant	4 to 7 years from date of grant	The seventh anniversary of the date of grant
Long Term Incentive Plan			
The mid market average on the 5 dealing days immediately preceding date of grant	After the third anniversary of the date of grant provided the performance condition has been met with an opportunity for retesting after one further year	3 to 10 years from date of grant	The tenth anniversary of the date of grant

During the period, the Board approved the implementation of a new employee share award scheme, the Long Term Incentive Plan. The Long Term Incentive Plan is a conditional arrangement under which contingent share awards can be made to selected senior management, including the Executive Directors. Details regarding the awards to the Executive Directors are set out in the Remuneration Report. The award will vest in one tranche, no earlier than 3 years from the grant date. Vesting will be subject to performance conditions which are set prior to each grant by the Remuneration Committee. The performance conditions will be related to the financial performance of the Group.

Details of the share options outstanding* during the period ended 30 September 2015 are as follows:

	Outstanding at the beginning of the period	Granted during the period	Forfeited during the period	Exercised during the period	Expired during the period	Outstanding at the end of the period	Exercisable at the end of the period
2004 Approved Option Scheme	**1,609,839**	**–**	**(74,798)**	**(664,197)**	**–**	**870,844**	**524,366**
Weighted Average Exercise Price	**156.7p**	**–**	**156.3p**	**159.7p**	**–**	**154.5p**	**160.9p**
2002 Senior Employee Matching Share Purchase Scheme	**1,149,007**	**–**	**(1,029,303)**	**(92,080)**	**–**	**27,624**	**–**
Weighted Average Exercise Price	**128.4p**	**–**	**130.7p**	**108.6p**	**–**	**367.6p**	**–**
Long Term Incentive Plan	**897,935**	**1,667,624**	**–**	**–**	**–**	**2,565,559**	**–**
Weighted Average Exercise Price	**–**	**–**	**–**	**–**	**–**	**–**	**–**

* There are no options outstanding under the 1994 Approved Option Scheme.

The table above and the one following exclude all options issued prior to November 2002.

Details of the share options outstanding during the period ended 28 September 2014 were as follows:

	Outstanding at the beginning of the period	Granted during the period	Forfeited during the period	Exercised during the period	Expired during the period	Outstanding at the end of the period	Exercisable at the end of the period
1994 Approved Option Scheme	129,944	–	–	(129,944)	–	–	–
Weighted Average Exercise Price	81.3p	–	–	81.3p	–	–	–
2004 Approved Option Scheme	2,661,933	–	(105,508)	(946,586)	–	1,609,839	577,090
Weighted Average Exercise Price	146.6p	–	154.6p	128.4p	–	156.7p	154.7p
2002 Senior Employee Matching Share Purchase Scheme	2,308,798	–	(301,776)	(128,912)	(729,103)	1,149,007	27,624
Weighted Average Exercise Price	149.6p	–	178.5p	108.6p	–	128.4p	108.6p
Long Term Incentive Plan	–	897,935	–	–	–	897,935	–
Weighted Average Exercise Price	–	–	–	–	–	–	–

The weighted average share price at the date of exercise for share options exercised during the period was 285p (2014: 307p). The options outstanding at 30 September 2015 had a weighted average exercise price of 78p (2014: 121p), and a weighted average remaining contractual life of 0.94 years (2014: 0.59 years). During the 52 week period ended 30 September 2015 there were no options granted.

The inputs into the Black-Scholes model used for the purposes of determining fair value of options were as follows:

	1994 Approved Option Scheme	**2004 Approved Option Scheme**	**2002 Senior Employee Matching Share Purchase Scheme**	**Long Term Incentive Plan**
Weighted average share price	59.4p	147.0p	136.0p	308.8p
Weighted average exercise price	59.4p	146.1p	135.6p	0.0p
Expected volatility	0.52	0.38	0.38	0.27
Expected life (yrs)	5	5	4	3
Risk free rate	4.5%	3.6%	4.6%	1.3%
Expected dividend yield	1.2%	4.2%	3.9%	4.7%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous year.

Other share-based payment plans

Share Incentive Plan ('SIP')

The Group has a Share Incentive Plan. Employees may use funds from their gross salary up to a maximum of 10% of their gross salary in regular monthly payments (being not less than £10 and not greater than £125) to acquire ordinary shares in the Company ('Partnership Shares'). Partnership Shares are acquired monthly. For every Partnership Share purchased, the employee receives one matching share up to a total value of £20. All shares to date awarded under this scheme have been purchased in the market monthly; it is the intention of the Directors to continue this policy in the year to September 2016.

Deferred Profit Share Plan ('DPSP')

The DPSP provides for eligible employees to be required or invited to defer some or all of their annual profit share entitlement into an award over ordinary shares (an 'Award'). Under the DPSP there is currently a mandatory deferral of 33% of any profit share in excess of £50,000 for a period of three years and additional deferral requirements for Executive Directors which are set out in the Remuneration Report. Employees can elect to voluntarily defer profit share into the plan. Awards are generally in the form of nil cost options to acquire ordinary shares, although at the discretion of the Committee they may also take the form of a conditional right to receive ordinary shares. Awards in the form of mandatory deferrals made to the employees who leave the Group at any time prior to vesting lapse unless the employee leaves as a result of good leaver provisions. It is the intention of the Board to recommend our Trustees to purchase the shares in the market for any shares awarded under this scheme in order to avoid dilution in the year to September 2016.

31. Share-based payments (continued)

Equity Award Plan ('EAP')

The Equity Award Plan is a discretionary arrangement under which contingent share awards can be made to selected employees within the Group below Board level, for example to reward exceptional performance on behalf of the Group or in certain circumstances to aid key staff retention. Awards will normally vest three years after grant subject to continued service provisions. Awards will only be capable of being satisfied with existing shares sourced via the Company's employee benefit trust. No newly issued shares and/or treasury shares can be used under the EAP. Only non-director employees are eligible for selection to participate in the plan.

The Group recognised total expenses in the period of £8,938,000 (2014: £8,498,000) related to equity-settled share-based payment transactions.

32. Operating lease arrangements

The Group recognised operating leases payments as an expense in the year as follows:

	2015		2014	
	Land and buildings £'000	**Hire of equipment £'000**	Land and buildings £'000	Hire of equipment £'000
Lease payments	**5,901**	**518**	7,474	503
	5,901	**518**	7,474	503

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015		2014	
	Land and buildings £'000	**Hire of equipment £'000**	Land and buildings £'000	Hire of equipment £'000
Amounts payable under operating leases:				
Within one year	**5,873**	**243**	5,572	198
In the second to fifth years inclusive	**22,748**	**427**	22,573	81
After five years	**25,530**	**–**	31,271	–
	54,151	**670**	59,416	279

The Group had significant operating lease arrangements with respect to the premises it occupies, computer hardware and office equipment including photocopiers and franking machines.

33. Contractual commitments

Capital expenditure authorised and contracted for at 30 September 2015 but not provided in the financial statements amounted to £475,000 (2014: £1,423,000).

34. Provisions

	License provision £'000	Sundry claims and associated costs £'000	Onerous contracts £'000	Social security contributions on share options £'000	Leasehold dilapidations £'000	Total £'000
At start of period	1,429	1,907	5,779	3,220*	1,055*	13,390
Additions	–	2,203	11,641	815	1,680	16,339
Utilisation of provision	(1,429)	(356)	(2,187)	(1,534)	(232)	(5,738)
Unwinding of discount	–	–	46	–	–	46
Unused amounts reversed during the period	–	(1,328)	(922)	–	(248)	(2,498)
At end of period	**–**	**2,426**	**14,357**	**2,501**	**2,255**	**21,539**
Provisions						
Included in current liabilities	–	2,426	2,743	1,353	745	7,267
Included in non-current liabilities	–	–	11,614	1,148	1,510	14,272
	–	**2,426**	**14,357**	**2,501**	**2,255**	**21,539**

* In the prior period, the provision for leasehold dilapidations and social security contributions on share options were included in trade and other payables. During the current period, these have been reclassified to provisions to better reflect the nature of these balances.

The Group recognises a provision for settlements of sundry claims and associated costs; settlement of £0.7 million (2014: £nil) has been made since the balance sheet date. The timing of the settlement of the remaining balance is unknown, but it is expected that they will be resolved within twelve months of the year end.

The onerous contracts provision is in respect of both surplus office space and contracts associated with discontinued operations.

The valuation of an onerous contract is based on the best estimate of the likely costs discounted to present value. Where the provision is in relation to premises and it is more likely than not that the premises will be sublet, an allowance for sublease income has been included in the valuation.

Provision of £4.1 million has been made for surplus office space, which the Group may not be able to sublet in the short term. The maximum exposure is the current estimated amount that the Group would have to pay to meet the future obligations under these lease contracts which is approximately £6.9 million as at 30 September 2015 (2014: £14.4 million), if the assumption regarding sub-lets is removed and the time value of money is ignored. The longest lease term covered by the provision has eighteen years remaining and accounts for £3.6 million of the provision.

Provision of £10.3 million has been made in relation to onerous contracts resulting from discontinued operations (see note 13). These costs arise over the term of the contract. The contracts covered by the provision have a maximum remaining term of eight years, the maximum exposure is £10.7 million, if the time value of money is ignored.

The Group recognises a provision of £2.3 million for leasehold dilapidations. These costs are expected to arise at the end of the lease. The leases covered by the provision have a maximum remaining term of eighteen years.

35. Notes to the Cash Flow Statement

	2015 £'000	2014[1] £'000
Group		
Operating profit from continuing operations	**50,810**	5,755
(Loss)/profit from discontinued operations	**(10,387)**	1,635
Adjustments for:		
Depreciation of property, plant and equipment	**5,002**	5,371
Amortisation of intangible assets – client relationships	**9,219**	13,592
Amortisation of intangible assets – software	**2,715**	2,360
Impairment of intangible assets and tangible assets	**280**	31,693
Loss on disposal of property, plant and equipment	**26**	653
Loss on disposal of intangible asset – purchased software	**–**	2
Retirement benefit obligation	**(3,000)**	(3,003)
Share-based payment expense	**8,938**	8,498
Translation adjustments	**41**	(3)
Interest income	**907**	1,077
Interest expense	**(41)**	(31)
Operating cash flows before movements in working capital	**64,510**	67,599
(Decrease)/increase in payables	**(44,349)**	39,585
Decrease/(increase) in receivables and trading investments	**48,802**	(39,778)
Cash generated by operating activities	**68,963**	67,406
Tax paid	**(11,485)**	(7,438)
Net cash inflow from operating activities	**57,478**	59,968

[1] Restated see notes 2 and 37.

	2015 £'000	2014 £'000
Company		
Operating profit	**36,314**	14,785
Adjustments for:		
Unwind of discount of shares to be issued	**–**	27
Operating cash flows before movements in working capital	**36,314**	14,812
(Decrease)/increase in payables	**(25)**	37
(Increase)/decrease in receivables and trading investments	**(11,604)**	5,717
Net cash inflow from operating activities	**24,685**	20,566

36. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. The captions in the primary statements of the Company include amounts attributable to subsidiaries. These amounts have been disclosed in aggregate in the relevant notes to the financial statements and in detail in the following table:

	Amounts owed by related parties		Amounts owed to related parties	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Bell Lawrie White & Co. Limited	**–**	–	**2,436**	2,436
Brewin Dolphin Limited	**49,292**	38,905	**–**	–
Tilman Brewin Dolphin Limited	**–**	–	**–**	–
Stocktrade Broking Limited	**–**	–	**4,900**	4,900
	49,292	38,905	**7,336**	7,336

All amounts owed by related parties are interest free and repayable on demand.

The only effect of related party transactions on the profit and loss of the Company was in respect of dividends. The Company received dividends of £35.0 million (2014: £15.0 million) from Brewin Dolphin Limited and £1.58 million (2014: £nil) from Tilman Brewin Dolphin Limited.

The Group companies did not enter into any transactions with related parties who are not members of the Group during the period, save as disclosed elsewhere in these financial statements.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out in the Directors' Remuneration Report on page 64.

Directors' transactions

Material contracts with Directors and loans to Directors are shown in the Directors' Remuneration Report on page 70; there are no other related party transactions with Directors.

A number of the Group's key management personnel and their close family members make use of the services provided by companies within the Group. Charges for such services are made at various staff rates.

37. Restatement of prior period information

As disclosed in note 2, the Group adopted IFRIC 21 'Levies' on 29 September 2014 and amended its accounting policy for client settlement cash.

These amendments have resulted in the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Balance Sheet and the Consolidated Cash Flow Statement being restated.

The amount of the restatement for each financial statement line item affected by retrospective application of IFRIC 21 and change of accounting policy for client settlement cash is set out below:

	As reported 52 weeks to 28 September 2014[1] £'000	Adjustment IFRIC 21 £'000	Adjustment client settlement cash £'000	Restated 52 weeks to 28 September 2014 £'000
Consolidated Income Statement				
Other operating costs	(75,813)	(253)	–	(76,066)
Operating expenses	(274,751)	(253)	–	(275,004)
Operating profit	6,008	(253)	–	5,755
Profit before tax	7,011	(253)	–	6,758
Tax	(1,460)	98	–	(1,362)
Profit for the period from continuing operations	5,551	(155)	–	5,396
Profit for the period	6,826	(155)	–	6,671
Earnings per share				
From continuing operations				
Basic	2.0p	–	–	2.0p
Diluted	1.9p	–	–	1.9p
From continuing and discontinued operations				
Basic	2.5p	–	–	2.5p
Diluted	2.4p	–	–	2.4p
Adjusted[2] earnings per share				
From continuing operations				
Basic	17.0p	–	–	17.0p
Diluted[3]	16.0p	–	–	16.0p
Consolidated Statement of Comprehensive Income				
Profit for the period	6,826	(155)	–	6,671
Total comprehensive income for the period	5,546	(155)	–	5,391

[1] Restated for discontinued operations, see note 13.

[2] These figures have been adjusted to exclude redundancy costs, FSCS levy rebate, onerous contracts provision, impairment of intangible assets – software, licence provision and amortisation of client relationships.

[3] See note 15.

	As reported as at 28 September 2014 £'000	Adjustment IFRIC 21 £'000	Adjustment client settlement cash £'000	Restated as at 28 September 2014 £'000
Consolidated Balance Sheet				
Deferred tax asset	8,959	177	–	9,136
Total non-current assets	125,438	177	–	125,615
Trade and other receivables	297,322	(865)	5,608	302,065
Cash and cash equivalents				
– Firm's cash	136,383	–	–	136,383
– Client settlement cash	21,687	–	(21,687)	–
Total cash and cash equivalents	158,070	–	(21,687)	136,383
Total current assets	456,304	(865)	(16,079)	439,360
Total assets	581,742	(688)	(16,079)	564,975
Trade and other payables	327,225	–	(16,079)	311,146
Current tax liabilities	3,872	16	–	3,888
Total current liabilities	347,408	16	(16,079)	331,345
Net current assets	108,896	(881)	–	108,015
Total liabilities	369,768	16	(16,079)	353,705
Net assets	211,974	(704)	–	211,270
Profit and loss account	16,822	(704)	–	16,118
Equity attributable to equity holders of the parent	211,974	(704)	–	211,270

	As reported 52 weeks to 28 September 2014 £'000	Adjustment IFRIC 21 £'000	Adjustment client settlement cash £'000	Restated 52 weeks to 28 September 2014 £'000
Consolidated Cash Flow Statement				
Net cash inflow from operating activities	61,354	–	(1,386)	59,968
Net increase in cash and cash equivalents	23,269	–	(1,386)	21,883
Cash and cash equivalents at the start of period	133,834	–	(20,301)	113,533
Cash and cash equivalents at the end of period	156,800	–	(21,687)	135,113
Cash and cash equivalents shown in current assets	158,070	–	(21,687)	136,383
Net cash and cash equivalents	156,800	–	(21,687)	135,113

The impact of retrospective application on each component of equity is shown in the Consolidated Statement of Changes in Equity. As at 29 September 2013, the profit and loss account was restated by £549,000, which was the result of IFRIC 21. There was no impact on equity as a result of the change in accounting policy for client settlement cash.

FIVE YEAR RECORD – CONTINUING OPERATIONS (UNAUDITED)

	2015 £'000	2014[1] £'000	2013[2] £'000	2012[2] £'000	2011[2] £'000
Revenue	**280,196**	275,316	271,954	253,112	248,375
Other operating income	**3,495**	5,443	11,724	16,419	15,638
Total income	**283,691**	280,759	283,678	269,531	264,013
Staff costs	**(152,982)**	(147,345)	(148,974)	(133,242)	(126,456)
Other operating costs	**(68,975)**	(76,066)	(83,418)	(94,196)	(98,409)
Exceptional items					
FSCS levy	**1,160**	–	(1,107)	(553)	(6,058)
Redundancy costs	**(2,432)**	(2,269)	(4,795)	(570)	(1,008)
Onerous contracts provision	**(433)**	(2,005)	(6,232)	–	–
Impairment of intangible assets	**–**	(31,693)	–	–	–
Licence provision	**–**	(2,034)	–	–	–
Acquisition of subsidiary	**–**	–	–	–	(228)
Amortisation of intangible assets – client relationships	**(9,219)**	(13,592)	(12,520)	(11,871)	(10,486)
Operating expenses	**(232,881)**	(275,004)	(257,046)	(240,432)	(242,645)
Operating profit	**50,810**	5,755	26,632	29,099	21,368
Net finance income and other gains and losses	**10,190**	1,003	1,768	784	494
Profit before tax	**61,000**	6,758	28,400	29,883	21,862
Tax	**(12,729)**	(1,362)	(7,257)	(8,389)	(6,884)
Profit attributable to equity shareholders of the parent from continuing operations (except 2011–2013[2])	**48,271**	5,396	21,143	21,494	14,978
Dividend per share	**12.0p**	9.9p	8.6p	7.15p	7.1p

Adjusted[3] earnings per share

From continuing operations before amortisation of client relationships and exceptional items listed above (except 2011–2013[2]).

Basic	**18.0p**	17.0p	15.7p	13.2p	12.4p
Adjusted[3] diluted	**17.1p**	16.0p	14.8p	12.5p	11.7p

[1] Restated see notes 2 and 37.

[2] Discontinued operations have not been separated from these comparative periods.

[3] See note 15.

APPENDIX – CALCULATION OF KPIS

Revenue growth

1. ***Discretionary funds under management ('FUM') inflows*** are calculated from the Group's client database. The growth of 5% (see page 25) net inflows is derived from the total new client accounts opened, closed or transferred between services categories during the period. Net inflows of £1.1 billion over the opening discretionary FUM value of £24.0 billion show an increase of 5%.
2. ***Discretionary service yield*** shows the core commission and fee income over the average FUM for the period. Core discretionary income in 2015 of £225.5 million (2014: £215.9 million) from average discretionary FUM of £24.4 billion (2014: £23.0 billion) results in a 89 bps (2014: 94 bps) yield.
3. ***Revenue[1] Growth*** of 1% (2014: 2%) is the total income increase from £280.8 million in 2014 to £283.7 million in 2015.

Improved efficiency

4. ***Adjusted[1,2] PBT margin*** is calculated by taking the adjusted[1,2] profit before tax of £62.2 million in 2015 (2014: £58.4 million) over the total income of £283.7 million (2014: £280.8 million) resulting in an adjusted[1,2] PBT margin of 21.9% (2014: 20.8%).
5. ***Discretionary income per CF30*** the total number of registered CF30s (Investment Managers and Financial Planners) for the Group is 449 (2014: 487), total discretionary income is stated as £225.5 million (2014: £215.9 million) showing an income per CF30 increase from £443,000 in 2014 to £502,000 in 2015.
6. ***Percentage of managed FUM in discretionary service*** of 88% (2014: 82%) is calculated by using the total discretionary managed FUM of £24.8 billion (2014: £24.0 billion) over the total managed/advised FUM for the Group of £28.3 billion (2014: £29.4 billion) (see page 21).
7. ***Discretionary FUM per CF30*** of £55 million (2014: £49 million) is based on the number of CF30s as per point 5 above over the total of discretionary managed FUM as per point 6 above.
8. ***Average client portfolio size*** is calculated by dividing the total discretionary and advisory managed FUM by the number of clients.

Capital sufficiency

9. ***The capital adequacy ratio*** is calculated by dividing regulatory capital resources over the assessment of regulatory capital requirements see note 26.

Dividend growth

10. ***The Group's dividend payout*** is calculated by using the total dividend for the year over the diluted adjusted[1,2] earnings per share of 17.1p (2014: 16.0p). The total dividend for the year including the proposed final dividend of 8.25p is 12.0p (2014: 9.9p) giving a 70% (2014: 62%) dividend payout.
11. ***Adjusted[1,2] earnings per share growth*** rate of 7% (2014: 11%) shows the increase in diluted earnings per share from 16.0p in 2014 to 17.1p in 2015.
12. ***Dividend growth***, the total dividend paid by the Group in 2015 is 12.0p (2014: 9.9p), a growth rate of 21% (2014: 15%).

[1] Adjusted for discontinued operations and IFRIC 21 adjustment – see notes 2, 13 and 37.

[2] Excluding disposal of available-for-sale investment, redundancy costs, FSCS levy rebate, onerous contracts provision, amortisation of client relationships, impairment of intangible assets – software and licence provision.

GLOSSARY

Anti-Money Laundering ('AML')
Money laundering is the process by which criminals attempt to conceal the true origin and ownership of the proceeds of criminal activities. AML is a set of procedures, laws and regulations designed to stop this practice.

Advisory Managed Service
Where the Investment Manager provides advice on both the structure and individual investments within the portfolio but clients make their own investment decisions. This service is no longer offered to new clients except 'offshore' clients via our Jersey office or Irish subsidiary Tilman Brewin Dolphin.

Audit and Assurance Faculty ('AAF')
This is a report by the Directors of Brewin Dolphin Limited on the internal controls of the custodial operations provided by its nominee companies which is made available to third parties.

Code Staff or Remuneration Code Staff
A category of staff including senior management, risk takers, staff engaged in control functions and certain other employees whose professional activities have a material impact on the firm's risk profile, in accordance with the FCA Remuneration Code.

Controlled Function 30 ('CF30')
An FCA approved customer function dealing in, advising on or managing investments on behalf of clients.

Discretionary Investment Management
Where a client outsources the day-to-day management of their portfolio to an Investment Manager. The Investment Manager will take care of everything associated with the running the client portfolio, including deciding the appropriate blend of assets, monitoring risk and dealing and administration.

Execution Only
Where a client makes their own investment decisions and seeks no advice from the Company.

Financial Conduct Authority ('FCA')
The FCA is the body which regulates the financial services industry in the UK.

Financial Ombudsman Service ('FOS')
An independent service in the UK for settling disputes between businesses providing financial services and their customers.

Financial Planning ('FP')
FP is the process of assisting a client to meet their individual set of financial goals and concerns, for example finding a tax-efficient way to invest a lump sum or setting up a retirement plan.

Funds under management ('FUM')
The total assets where the day-to-day management is undertaken by Investment Managers within the Group.

Internal Capital Adequacy Assessment Process ('ICAAP')
ICAAP is a process by which financial services companies assess the level of capital that adequately supports all relevant current and future risks in their business.

Retail Distribution Review ('RDR')
The RDR was set out with the aim to improve clarity for people who are looking to invest, raise the professional standards of advisers and reduce the conflict of interest which is found in remuneration for adviser services.

UK Corporate Governance Code (the 'Code')
The Code sets out standards of good practice in relation to Board leadership and effectiveness, remuneration, accountability and relations with shareholders.

Whistleblowing
The process which sets out how employees can report suspicious wrongdoing at work.

SHAREHOLDER INFORMATION

Investor information

Visit our website, www.brewin.co.uk for investor information and Company news. In addition to accessing financial data, you can view and download Annual and Half Year Reports, analyst presentations and access the best of our research and investment views, plus lifestyle news and interviews.

You can also subscribe to an email news alert service to automatically receive an email when significant announcements are made.

Shareholding information

Please contact our registrars, Equiniti, directly for all enquiries about your shareholding. Visit their Investor Centre website www.shareview.co.uk for online information about your shareholding (you will need your shareholder reference number which can be found on your share certificate or dividend tax voucher), or telephone the registrars direct: 0371 384 2030 or + 44 (0) 121 415 7047.

Dividend mandate

Shareholders can arrange to have their dividends paid directly into their bank or building society account by completing a bank mandate form. The advantages to using this service are: the payment is more secure than sending a cheque through the post; it avoids the inconvenience of paying in a cheque and there is no risk of lost, stolen or out-of-date cheques. A mandate form can be obtained from Equiniti or you will find one on the reverse of the tax voucher of your last dividend payment.

Electronic communications

Shareholders have previously passed a resolution enabling Brewin to take advantage of provisions in the Companies Act 2006 that allow us to supply documents such as the Annual Report and Accounts to our shareholders via our website www.brewin.co.uk. This helps to reduce the cost and environmental impact of producing and distributing printed documents. Shareholders that wish to continue to receive shareholder documents in hard copy can request this by writing to the registrar, Equiniti.

All shareholder communications, including the Company's Annual Report and Accounts, are made available to shareholders on the Brewin website and you may opt to receive email notification that documents and information are available to view and download. If you would like to sign up for this service, visit Equiniti's website. You may change the way you receive communications at any time by contacting Equiniti.

Annual General Meeting

The 2016 Annual General Meeting of Brewin Dolphin Holdings PLC will be held at The Lincoln Centre, Lincoln's Inn Fields, London WC2A 3ED on Friday 5 February 2016 at 11.30 am.

Contacts and advisers

Company Secretary

Louise Meads
12 Smithfield Street
London
EC1A 9BD

+44 (0) 20 7248 4400

Director of Marketing and Communications

Gregory Thorpe
12 Smithfield Street
London
EC1A 9BD

+44 (0) 20 7248 4400

Registered Office

12 Smithfield Street
London
EC1A 9BD

Company registration number: 2685806

Registrar

Equinti Limited
Aspect House
Spencer Road
Lancing, West Sussex
BN99 6DA

+44 (0) 121 415 7047

Corporate Lawyer

Travers Smith LLP
10 Snow Hill
London
EC1A 2AL

Auditor

Deloitte LLP
Hill House
1 Little New Street
London
EC4A 3TR

Principal Banker

Bank of Scotland
Corporate Specialist & Deposit Services
Pentland House (2nd Floor)
8 Lochside Avenue
Edinburgh
EH12 9DJ

Joint Financial Adviser and Corporate Broker

Royal Bank of Canada Europe Limited
Thames Court
One Queenhithe
London
EC4V 4DE

Joint Financial Adviser

Rothschild
New Court
St. Swithin's Lane
London
EC4N 8AL

BRANCH ADDRESS LIST

Aberdeen
23 Rubislaw Terrace
Aberdeen
AB10 1XE
Telephone: 0122 426 7900

Belfast
6th Floor
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LY
Telephone: 0289 044 6000

Birmingham
9 Colmore Row
Birmingham
B3 2BJ
Telephone: 0121 710 3500

Bournemouth
Waverley House
115–119 Holdenhurst Road
Bournemouth
BH8 8PW
Telephone: 0120 231 2500

Bristol
The Paragon
Counterslip
Bristol
BS1 6BX
Telephone: 0117 968 9500

Cardiff
2nd Floor
5 Callaghan Square
Cardiff
CF10 5BT
Telephone: 0292 034 0100

Cheltenham
2nd Floor
St. James' House
St. James' Square
Cheltenham
GL50 3PR
Telephone: 0124 257 7677

Dublin
Tilman Brewin Dolphin
3 Richview Office Park
Clonskeagh
Dublin 14
Telephone:+353(0) 126 00080
Web: www.tam.ie

Dundee
31–32 City Quay
Camperdown Street
Dundee
DD1 3JA
Telephone: 0138 231 7200

East Anglia
Fraser House
23 Museum Street
Ipswich
Suffolk
IP1 1HN
Telephone: 0147 326 7200

Edinburgh
6th Floor
Atria One
144 Morrison Street
Edinburgh
EH3 8BR
Telephone: 0131 225 2566

Exeter
Vantage Point
Woodwater Park
Pynes Hill
Exeter
Devon
EX2 5FD
Telephone: 0139 244 0450

Glasgow
48 St. Vincent Street
Glasgow
G2 5TS
Telephone: 0141 221 7733

Jersey
2nd Floor
Kingsgate House
55 The Esplanade
St Helier
Jersey
JE2 3QB
Telephone: 0153 470 3000

Leeds
10 Wellington Place
Leeds
LS1 4AN
Telephone: 0113 245 9341

Leicester
Two Colton Square
Leicester
LE1 1QF
Telephone: 0116 242 0700

Lincoln
Olympic House
Doddington Road
Lincoln
LN6 3SE
Telephone: 0152 250 3000

London
12 Smithfield Street
London
EC1A 9BD
Telephone: 0207 246 1000

Manchester
1 The Avenue
Spinningfields Square
Manchester
M3 3AP
Telephone: 0161 839 4222

Marlborough
Woodstock Court
Blenheim Road
Marlborough
Wiltshire
SN8 4AN
Telephone: 016 7251 9600

Newcastle
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR
Telephone: 0191 279 7300

Nottingham
1st Floor
Waterfront House
Waterfront Plaza
35 Station Street
Nottingham
NG2 3DQ
Telephone: 0115 852 5580

Oxford
4 King Edward Street
Oxford
OX1 4HS
Telephone: 0186 525 5750

Penrith
1 Mason Court
Gillan Way
Penrith 40 Business Park
Penrith
Cumbria
CA11 9GR
Telephone: 0176 886 1710

Plymouth
Ashleigh Court
Ashleigh Way
Langage Business Park
Plymouth
PL7 5JX
Telephone: 0175 233 4650

Reigate
45 London Road
Reigate
Surrey
RH2 9PY
Telephone: 0173 722 3722

Shrewsbury
Mutual House
Sitka Drive
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG
Telephone: 0174 339 9000

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Brewin Dolphin Holdings PLC

12 Smithfield Street,
London EC1A 9BD

T 020 7248 4400
W brewin.co.uk
E info@brewin.co.uk